

Entered by Board Secretary

AGENDA ITEM 18 BOARD NOTING PAPER	
To:	Board of Auckland Transport
From:	Sean Cavanagh, Corporate Planning and Performance Lead
Reviewed:	Andrew Downie, Head of Governance Dean Kimpton, Chief Executive Officer
Date:	19 June 2024
Title:	Statement of Intent 2024 – considering Council feedback

Aronga / Purpose

1. To provide an update on Auckland Council’s feedback on the draft Statement of Intent (SOI) 2024 – 2027 as well as a revised draft for further input.

Te tūhanga / Recommendation

That the Auckland Transport Board (board):

- a) Note the feedback received from Auckland Council on the draft Statement of Intent 2024 - 2027.
- b) Note the updated draft Statement of Intent 2024 – 2027 (provided as Attachment 3) as an accurate reflection of Auckland Transport’s activities in the upcoming 2024/25 to 2026/27 period that responds to the Letter of Expectation and feedback received.
- c) Note that a final Statement of Intent 2024 - 2027 will be presented to the board for approval via circular resolution using the voting mechanism in Diligent Boards prior to 31 July 2024.

Te horopaki / Background

2. The SOI is the document which Auckland Council uses to hold Auckland Transport (AT) accountable to its performance expectations. The relevant

legislation is the Local Government Act 2002 (LGA) and Local Government (Auckland Council) Act 2009 (LG(AC)A).

3. In February 2024, the board delegated authority to the Finance and Assurance Committee (FAC) to assist in preparation of the SOI.
4. AT submitted a draft SOI to Council on 28 March 2024. Council’s Governing Body considered the draft SOI at its 30 May 2024 meeting, before subsequently providing shareholder feedback to AT on 31 May 2024.
5. LG(AC)A s96 requires the board to hold a meeting in public each year to consider the comments from shareholders on the draft SOI.
6. The SOI is still being finalised. The update in this report is in response to feedback we have received. We are required to submit the final SOI to Council by 31 July 2024.

Me mōhio koe / What you need to know

Council has provided feedback on the draft SOI

7. Attachment 1 outlines Council’s feedback on the draft SOI 2024 – 2027. A summary of Council’s feedback is:
 - a. A more overt recognition of council’s role as AT’s sole shareholder.
 - b. The SOI needs to have a clearer theme on steps AT will take to gain the confidence of Aucklanders.
 - c. AT’s corporate strategy accelerators for effective governance and advocacy and growing external revenues need revising to reflect the scope of activities and AT’s role.
 - d. More detail on progress and milestones on key initiatives outlined in the Letter of Expectation, especially Temporary Traffic Management and Dynamic Lanes.
 - e. More commentary is needed on how AT is aligning with and delivering to key Council outcomes (Future Development Strategy, Safety, etc).

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- f. Several requests about reflecting climate change, including:
 - i. Commitments to meeting group climate-related disclosure requirements.
 - ii. Referencing to Te Tāruke-ā-Tāwhiri and TERP.
 - iii. Incorporating wider climate change considerations into work programmes and decisions.
- g. Additional key performance indicators:
 - i. Capital delivery milestones.
 - ii. Combined bus lane and cycleway deliver.
 - iii. 1-2 additional Māori outcome measures.
- 8. We have also received comments from:
 - a. Houkura – Independent Māori Statutory Board (Houkura) (Attachment 2):
 - i. All Council Controlled Organisation SOIs should refer to Te Tiriti of Waitangi and outline the legislative requirements and obligations.
 - ii. AT should prioritise developing an Achieving Māori Outcomes Plan.
 - iii. Include additional reporting measures to ensure greater accountability.
 - iv. Support the increase to the Māori procurement target.

We are updating the SOI in response to feedback

- 9. Attachment 3 contains an update to the draft SOI 2024 – 2027. The key changes made so far have been:
 - a. Greater emphasis on gaining the confidence of Aucklanders, primarily delivered through the corporate strategy accelerator, Every Interaction Counts.
 - b. Updating the focus of growing external revenues to include value for money. Growing external revenues will remain as an organisational accelerator but the SOI 2024 – 2027 will include a broader section on value for money, including our approach to capital delivery (“better, faster, cheaper”),

- continued operational efficiencies, growing external revenues, and Group Shared Services.
- c. Effective governance and advocacy to reflect AT’s role as engaging in a coordinated and aligned manner consistent with Council direction. This notes the need for AT to continue to advocate and act on many operational matters.
- d. Updated commentary on key Council priorities, including the Future Development Strategy, and our continued commitment to sustainability.
- e. One new key performance indicator has been included:
 - i. Annual programme of works with marae and papakāinga, with a target of delivering improvements to at least one marae per year.
 - ii. AT will commit to providing other information requested in the meaningful performance measures section of shareholder comments through regular reporting processes to the Transport and Infrastructure Committee.
- 10. Attachment 4 includes a full reconciliation of shareholder comments and responses from the business.

The SOI 2024 – 2027 is not yet finalised and remains in draft

- 11. The information in the updated draft SOI 2024 - 2027 reflects the Mayoral Proposal for Council’s Long-Term Plan (LTP) as approved by the Governing Body on 16 May 2024, and AT’s draft Regional Land Transport Plan (RLTP) for which consultation ended on 17 June 2024.
- 12. We are making final updates to the SOI 2024 – 2027, including confirming delivery milestones. These updates will align with the final LTP due to be adopted on 27 June 2024, and any updates required from RLTP consultation.
- 13. The National Land Transport Plan (NLTP) will confirm Central Government’s funding contribution to our activities. The 2024 NLTP will be adopted on 31 August 2024 and subsequently published in September. If the NLTP does not provide the anticipated levels of co-funding for our activities, we may need to

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amend the SOI 2024 – 2027 accordingly. This will only occur after final approval and submission to Council.




Ā muri ake nei / Next steps

14. We are required to send a final SOI 2024 – 2027 to Council by 31 July 2024.
15. The FAC will consider the final SOI at a workshop on 24 July 2024.
16. The board will be asked to approve the final SOI via circular resolution before 31 July 2024.

Ngā whakapiringa / Attachments

Attachment #	Description
1	Shareholder Comments on Auckland Transport's draft Statement of Intent 2024-2027
2	Feedback from Houkura - Independent Māori Statutory Board
3	Updated draft Statement of Intent 2024-2027
4	Responding to Shareholder feedback on the draft SOI

Te pou whenua tuhinga / Document ownership

Submitted by	Recommended by	Approved for submission
Sean Cavanagh Corporate Planning and Performance Lead	Andrew Downie Head of Governance	Dean Kimpton Chief Executive
		

31 May 2024

Richard Leggat
Chair, Auckland Transport Limited

By email: leggatr@mac.com

Tēnā koe Richard

Shareholder Comments on Auckland Transport's draft Statement of Intent 2024-2027

Thank you for providing the draft Statement of Intent 2024-2027 (SOI) for Auckland Transport (AT). The Governing Body considered it at its 30 May 2024 meeting.

Below are shareholder comments common to all CCOs and following that the shareholder comments specific to AT. This letter should be read in conjunction with the full report, found here at item 13:

https://infocouncil.aucklandcouncil.govt.nz/Open/2024/05/20240530_GB_AGN_11275.PDF.

I understand that AT's draft Statement of Intent was developed in a period of high uncertainty, and within this context the draft SOI is a 'working document'. Now that the Mayoral Proposal and Long-term Plan 2024-2034 have been adopted I expect the final document to reflect this direction. However, I acknowledge that there is still uncertainty with the final transport programme that AT can deliver. The completion of the Government Policy Statement on Land Transport and confirmation of the funding envelope from the National Land Transport Fund may mean that AT's final Statement of Intent will need to be amended accordingly. We will work with you should this be required.

General shareholder comments to all CCOs

1. Financial and non-financial performance and quality advice

Final SOIs should reflect council's decisions on the Long-term Plan 2024-2034 and financial statements should be fully populated consistent with these decisions and agreed with council's Financial Planning staff.

The Mayoral Proposal provides a strong focus on fixing the roads, cutting low value initiatives, and making public transport faster, more reliable, and easier to use. We expect the final SOI to reflect this focus. Funding in the Long-term Plan has been provided for:

- a \$70 million increase in operating funding to maintain and enhance public transport services. AT will need to realise \$60 million in savings to mitigate public transport cost pressures.
- implementing a \$50 weekly public transport pass for buses, trains and inner harbour ferries
- a one-off capital grant to boost the safety of bus drivers by funding installations of safety screens to protect drivers.

All performance measure targets should be fully populated in final SOIs, with relevant measures and targets reflected from the Long-term Plan 2024-2034. For Auckland Transport this includes providing a 2023 Actual or baseline.

We are seeking improved advice from CCOs. All advice to Elected Members on spending decisions should involve consideration of costs and benefits and contestable advice. Further detail on requirements can be found in the Budget Responsibility and Transparency Rules.

2. Capital programme

The group's focus for our capital programme should be on finishing what we've started, fixing what is broken, and getting the best out of what we have. We are therefore asking all CCOs to improve information on capital programmes / projects in SOIs. This should include budgets for all capital programmes and major projects. You should be transparent about what milestones you will achieve so that we can better measure progress. Further information is provided in the CCO specific comments below.

3. Māori outcomes

CCOs are to report on delivery progress on your Achieving Māori Outcome Plans in your quarterly performance reports. Direction will be provided by council's Ngā Mātārae team for a whole of group approach in this area.

Houkura - Independent Māori Statutory Board secretariat feedback has been provided to CCOs separately and considered by council in forming our comments.

4. Climate change

As agreed in our Long-term Plan 2024-2034 decision making, we ask that CCOs:

- incorporate climate change considerations (whole of life greenhouse gas emissions and resilience) into work programmes and decisions, based on realistic assessments
- target savings in operational and capital expenditure to areas where both cost and whole of life greenhouse gas emissions can be reduced, and not reduce well performing emissions reduction projects or investments
- focus on lowest cost delivery of climate positive projects
- work towards reducing the impacts of climate-related risks which also reduces long-term cost to council and community.

CCOs should meet group climate-related disclosures requirements and ensure accountability through measurement and reporting, including of scope 3 emissions. CCOs should include a statement of commitment in the final SOI:

Contribute to the preparation of a compliant group climate statement to ensure Auckland Council meets its reporting and record-keeping obligations as a climate reporting entity under the Financial Markets Conduct Act 2013. This includes preparing and maintaining proper climate-related disclosure records as required by Auckland Council. It will also include engaging with Auckland Council's appointed auditor to prepare for assurance over group emissions disclosures from 2024/2025 onwards.

5. Group shared services

Final SOIs must include a commitment to progress the Group Shared Services programme at pace. This programme is being managed collaboratively by the Chief Executives of the group to deliver operational efficiencies. Council expects that CCOs will include this programme in final SOIs without any qualifications.

Specific shareholder comments for Auckland Transport

6. Introduction

The draft SOI outlines five new strategic accelerators. That is a fine way to organise the SOI.

But, the SOI needs to reflect an overarching commitment to gaining the confidence of Aucklanders and Auckland Council. I'd like to see a much clearer focus on how Auckland Transport intends to understand and carry out the strategic direction set by its shareholder, Auckland Council. And about how you set goals that will help improve the daily lives of Aucklanders.

The Council's specific comments on the strategic accelerators are provided below:

- **Strategic Accelerator 5: Effective governance and advocacy for transport outcomes**
AT has been working with the Council to obtain greater clarity on roles and responsibilities. But there is a long way to go. The content in the final SOI – including the foreword – must reflect that:
 - AT is a CCO of Auckland Council and is primarily accountable to Auckland Council
 - Auckland Council is to be treated as the sole shareholder (not stakeholder) and sets the strategic direction. It is AT's role to deliver on this.
 - Auckland Council, and the Mayor of Auckland in particular, is the lead for the Group on engagement with the Government. AT supports the council (and council group) to advocate for improvements that will benefit Auckland's transport outcomes and improve decision making and accountability, in line with Auckland Council's direction.
 - NZTA and Government are important funders of AT, and AT will seek funding for projects that align with the direction set by Auckland Council.
 - AT will cooperate with efforts by Auckland Council and the Mayor to clarify the roles and responsibilities within the transport system.
- **Strategic Accelerator 3: Making every interaction count** - This is an important accelerator, but stronger emphasis is required on restoring public confidence and council would like to see more ambition in the targets relating to customer perceptions relating to AT listening and responding to Aucklanders' needs. Key to achieving improvement will be delivering on those projects that Aucklanders, and I, have signalled are important to Aucklanders – these are removing road cones, improving temporary traffic management, implementing dynamic lanes and providing digital improvements to the operation of traffic signals. You need to stop doing pointless things that annoy Aucklanders. I want to see significant progress made on this.
- **Strategic Accelerator 4: Growing external revenues** – I am concerned that this focus is too narrow. The emphasis in your last two Letters of Expectation was on "better, faster, cheaper: cost savings and value for money". Revenue generation is only one element of what the council is seeking from AT. You should make sure the SOI includes a broader direction on value for money, including the following matters:
 - Group Shared Services direction
 - Making the organization more efficient by removing ineffective & duplicate processes
 - Reviewing the costs of contracts with third parties

- Looking hard at marketing and communications spend. Auckland Transport needs to be less concerned with its 'brand', and more focused on service delivery. Transport is not a marketing exercise; it is a public service.

7. Part 1 Roles and responsibilities

As noted in our feedback to your last SOI, AT's legislative purpose is to "contribute to an effective, efficient, and safe Auckland land transport system in the public interest." I expect to see this addressed up front in this section and there is an opportunity to simplify this section to articulate your roles and responsibilities more clearly.

8. Part 1.3 Strategic Alignment

As a general point, I would expect in this section that AT is more explicit in what it is doing in developing and implementing work programmes that respond to key council strategies.

I expect AT to provide more detail in the final SOI on the following:

- aligning renewals and improvements to improve network productivity and optimise cost effectiveness
- delivery of dynamic and other priority lanes for buses using existing space and other traffic.
- AT's commitment to climate change adaptation and mitigation, which is not well reflected in the accelerators, deliverables and measures. This includes reference to Te Tāruke-ā-Tāwhiri and TERP, as well as:
 - providing a reporting framework against key council outcomes (including emissions reductions targets, tracking regional transport emissions and reporting on the percentage of AT capital expenditure where whole of life carbon is quantified and mitigated)
 - providing data access for council staff to help with group climate reporting and analysis.
 - establishing a governance group to oversee progress towards meeting Auckland's climate objectives in the transport sector
- reflect the important role you play in managing vegetation in the road corridor and maintenance of berms and verges

I would also like to see more detail on AT's approach to protecting and restoring the environment, with a focus on maximising flood resilience and water quality opportunities. Council is making a significant investment in the Making Space for Water programme and close collaboration will be needed with council's Healthy Waters department to assess, replace and upgrade culverts and bridges in. With that in mind, I would also like AT to reflect how they are working with council to consider what assets need to be made more resilient or retired to help mitigate climate change impacts. Where assets are owned by Auckland Council but managed and controlled by AT, I expect AT to work collaboratively with council to manage risks, expenditure, and outcomes on a council group basis. This should be noted in your final SOI.

The Future Development Strategy is a legislative requirement and affects all parts of the council group whose activities relate to growth and development. It provides Auckland-wide direction and integration of the council's approach to growth and development and guides subsequent strategies, operational plans, programmes of work and investment decisions. AT has a key role in implementing the Future Development Strategy and I expect in the final SOI that the importance of AT's role, including collaborating with the council group to advance this Strategy, is elaborated on.

The Supporting Growth Program needs to be reconsidered and AT must work with council staff to report to the Transport and Infrastructure Committee on:

- The nature and purpose of the Supporting Growth programme.
- How the programme aligns with Auckland Council's strategies, including the Future Development Strategy.
- Political oversight and accountability for the decisions being made through the program which affect the future shape of Auckland.
- The costs associated with the programme (including opex costs and capex costs associated with the designations).
- Recommendations on whether it should continue and, if so, improvements.

Safety remains a priority for council. AT is encouraged to look at low-cost, cost-effective treatments and community partnering initiatives including initiatives to ensure travellers feel safe on the public transport network (such as hubs and transfer points).

9. Part 2 – Statement of performance expectations

Improving network productivity (section 2.1)

A stronger emphasis is needed on integrating road maintenance and renewals activities with road improvements and how this will be achieved. In the final SOI we expect to see AT's confirmed plan to fully fund our share only of the renewals programme. It should be clear what commitment from the government is required, and how the renewal spend will be prioritised if full government funding is not forthcoming.

As noted earlier, I would also like to see greater progress and milestones on initiatives outlined in the Letter of Expectation, like dynamic lanes, intelligent transport systems, reducing road cones and temporary traffic management systems. These initiatives address pain points for the community and will go a long way to helping restore public confidence.

The Council would like AT to provide annual updates on delivery of the Regional Land Transport Plan programme to the Transport and Infrastructure Committee. The final SOI should note this as a deliverable.

Making every interaction count (section 2.2)

Along with seeking to restore the public's confidence in AT. A stronger focus on providing clear communications to all councillors and local boards on projects is required, including how much is being spent, what is the project is, why it is being undertaken and what benefits are being expected. This is particularly important for significant programmes of work, like those being undertaken in the City Centre.

Taking public transport from good to great (section 2.3)

I support the programme outlined in the draft SOI and encourage AT to continue to look for innovative opportunities to improve public transport over and above what is already identified in the Long-term Plan.

The City Rail Link is a significant Crown and Council project. AT's activities to ensure operational readiness will be critical to the success of this project and the communities experience of it on Day One and beyond. I would like more detail on the key programmes and milestones in the final SOI, and how you are working with other delivery partners and City Rail Link Limited to achieve success.

10. Meaningful performance measures, transparency and accountability

I expect Auckland Transport to work with council staff to better understand and agree the measures, methodology and targets. Insufficient information was provided in the draft SOI to provide meaningful comment. In the final SOI I expect AT to:

- include baselines or previous year actuals for all measures
- include the following capital measure - Percentage of capital project milestones delivered in line with asset management plan baseline approved by the board
- include the following measure – Total number of kilometres of bus priority lanes and active modes added to the network” to better reflect council’s priority to improve network productivity
- restore the resource consent target to align with service level agreement in place
- include confirmation that Long-term Plan measures will continue to be recorded (road maintenance standards, resurfaced roads, footpaths, road assets etc.) and provided annually and at 6-month intervals to the Transport and Infrastructure Committee.

Council staff will work closely with your staff to ensure these shareholder comments are clear, and to relay any feedback from the 30 May Governing Body meeting that relates to performance or operational issues, or issues of detail or wording.

I look forward to receiving the final SOI by 31 July 2024.

Ngā mihi



Wayne Brown
MAYOR OF AUCKLAND

Copy to: Deputy Mayor, Desley Simpson
Councillor John Watson, Chair Transport and Infrastructure Committee
Councillor Christine Fletcher, Deputy Chair Transport and Infrastructure Committee
Dean Kimpton, Chief Executive, Auckland Transport
Phil Wilson, Chief Executive, Auckland Council

Attachment 2- Copy of Feedback from Houkura - Independent Māori Statutory Board

General Comments

- The following feedback should be considered by each CCO before Final Statement of Intent's are approved.
- In reviewing the four CCO's, ensure that the first time Houkura is referred to in the Statements of Intent, the Board is referred to as Houkura - Independent Māori Statutory Board (Houkura). As such, Houkura can be referred to thereafter within each CCO Statement of Intent.
- Each Statement of Intent should refer to Te Tiriti o Waitangi and outline the legislative requirements in the Local Government Act 2002, to reinforce and affirm the Council Group obligations.
- To ensure consistency across the Council Group, it is recommended that an organisational wide procurement target is identified that aligns with Auckland Council's Māori procurement target.
- Houkura notes that overall, the Statement of Intent's have less Māori outcomes content, particularly targets, than in previous years. The Secretariat recognises this may be due to the reduced budget overall. However, there are measures in CCO's Achieving Māori Outcomes that could be specifically identified as targets.
- Watercare, Eke Panuku, and Tātaki Auckland Unlimited (Tataki) have extensive Māori Outcome Plans. In the case where a CCO has less than three Māori outcome measures, it is recommended that a maximum of three specific measures be identified within the Statement of Intent.
- In the place of formally recognised Māori outcomes measures, there is a commitment across the CCO's to report on Māori Outcomes delivery at the CCO committee meeting.
- The Board's Issues of Significance instrument is clearly articulated in each Statement of Intent. However, it would be beneficial for CCO's to identify specific actions or issues relevant to their work which enables delivery across the year (as Auckland Transport's Statement of Intent does). As outlined in the Local Government Act 2002, CCO's Statement of Intent's should include a statement that commits to working with Houkura to respond to its Issues of Significance instrument.

Auckland Transport

- It is note that Auckland Transport does not yet have an Achieving Māori Outcomes plan. Through its secretariat, Houkura continues to advocate for this and has determined that this is a matter of urgency, as identified in its 2021 Te Tiriti o Waitangi Audit.
- Only one measure is identified. Two further measures are required to ensure greater accountability and delivery for Māori across Tamaki Makaurau
- It is a positive that the Māori procurement target has increased over the years.



Statement of Intent

2024-2027 WORKING DRAFT

Updated in response to
Council feedback



**E ngā iwi whānui ki ngā topito o Tāmaki Mākaaurau
He mihi manahau ki a koutou katoa
Topuni ki te Raki
Rakitu ki te Rāwhiti
Puketutu ki te Tonga
Oaia ki te Uru
Tāmaki herehere o ngā waka e!
Tihei Mauri ora ki te whai ao, ki te ao mārama**

To the wider people to the ends of Auckland
A heartening greeting to you all
Topuni to the North
Rakitu to the East
Puketutu to the South
Oaia to the West
Tamaki the meeting place of all canoes
Life essence to the world, to the world of light

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Chair's Foreword

Section being reviewed.

Auckland Transport plays a pivotal role in the region's success. We are accountable to both the council and the government through the NZ Transport Agency, and implement the priorities of both, including the Council's Auckland Plan and Government's policy statement on transport.

Our role is reflected in our purpose: *to tiaki all who use transport in Tāmaki Makaurau*. For us, *to tiaki* is to care for, enable and deliver a safe and effective transport system that contributes to a more thriving Auckland. The region will always be growing, which places continued pressure on our infrastructure and services. Many of our key challenges are driven by a desire to see continued improvement for transport against a backdrop of ever-rising demand. Aucklanders want people and goods moving around the city with better reliability and accessibility, and with lower emissions.

Meeting these expectations for Aucklanders, in light of the new government's draft Government Policy Statement, will be increasingly difficult. The draft GPS has signalled a shift in Government expectations for transport outcomes. It is a move away from climate and environment outcomes so our ability to reduce emissions to the extent required for impactful change will be reduced. And it's a significant reduction in funding for public transport which will restrict our ability to increase public transport patronage.

The draft GPS also reduces funding for safety through speed and infrastructure improvements and signals changes to rules around speed limit changes, potentially reversing previously lowered speeds. So, we project deaths and serious injuries to decrease only slightly, if at all, compared with previous targets.

But we are committed to delivering the best transport outcomes for Auckland possible, within the available funding and direction from those we are accountable to. Last year we signalled the need to make fundamental changes to how we work. We acknowledged we needed to be far better at listening to and understanding the communities we serve. More work was needed to improve our reputation with Aucklanders and for us to win their trust and confidence.

Significant progress has been made.

We have redesigned our operating model which will enable us to be more responsive to the customers and communities we work with. We are clear on our purpose and we have developed a new strategy that articulates an ambitious and credible long-term vision. The strategy outlines how we intend to improve our performance and do a better job in shaping our city for the future.

Our longer-term ambitions are translated into an action plan through our three-year corporate strategy. Over the next three years, we will focus on five 'accelerators' which are areas where we know that we need to move quickly to deliver the required outcomes. These are:

1. Taking public transport from good to great
2. Improving network productivity
3. Making every interaction count
4. Growing external revenues
5. Effective governance and advocacy for transport outcomes

This statement of intent is structured around these accelerators or outcomes we are working towards.

As we implement our strategy, how we work will be guided by our principles around listening and responding to the needs of our customers and communities; leading and partnering by bringing all players together to take a whole of system view; putting people and places at the heart of how we design and deliver our transport system; and partnering with Māori to deliver a transport system that improves outcomes for all.

We remain committed to working closely with Auckland Council and central government to delivering a transport system that contributes to a more thriving and sustainable Tāmaki Makaurau.

Ngā mihi,

Richard Leggat

Chair – Auckland Transport

Introduction

Every decision we make that impacts Aucklanders must consider how those Aucklanders live their lives and navigate their way around our region.

This Statement of Intent (SOI) outlines how we will gain the confidence of Aucklanders by listening to their concerns and needs, and plan how we deliver services and solutions to respond to what we have heard. The SOI has been written to address the expectations the Mayor and Auckland Council (the Council) have set out for us in the Letter of Expectation for Statement of Intent 2024-2027 (attached as Appendix 4).

In Part 1 of the SOI we provide an overview of the strategic direction, and how it links with the objectives, priorities and outcomes set by Council and Government. This section includes the challenges and constraints in our operating environment that we will work to overcome.

In Part 2 of the SOI, our performance expectations are structured into five areas, which are the strategic accelerators in our corporate strategy:

1. Making every interaction count
2. Taking public transport from good to great
3. Improving network productivity
4. Effective governance and advocacy for transport outcomes
5. Value for money (including growing external revenues)

Part 1 Strategic Overview

1.1 Roles and responsibilities

Auckland's transport role and purpose is to contribute to an effective, efficient, and safe Auckland land transport system in the public interest.

We enable, protect, and support our communities in all forms of transport. We are here to deliver an integrated system that helps Tāmaki Makaurau unlock its full potential, become more resilient, and thrive.

Our key activities that directly impact Aucklanders are:

- Operation and maintenance of the roading network, including traffic lights, lighting, communications, and other management systems
- Planning and contracting of public transport services
- Investing in the renewal of the transport system, particularly the roading network
- Investing in improvements to the transport network, including safety improvements, footpaths and cycleways
- Parking management and enforcement
- Planning for the future transport system for Auckland

We also undertake other activities, including:

- Providing advice and advocacy to Government, Council and other decision makers
- Developing plans and strategies that align with our political direction and embed equity in our operations
- Funding allocation and project delivery
- Communications and engagement
- Managing the interaction with other land uses, including consenting and approvals and other contractors working on the network
- Harbourmaster functions
- Running two airports on Aotea Great Barrier

We are committed to the operating principles set out in the Local Government Act:

- Establishing and maintaining processes for Māori to contribute to our decision-making processes
- Operating in a financially responsible manner
- Using revenue efficiently, seeking value for money
- Being transparent in our revenue and expenditure
- Being transparent in our decision-making.

1.2 Strategic Priorities

Looking ahead, we will continue to build on our foundations while also addressing the strategic challenges we face.

At a foundational layer, it is about getting the basics right. For capital expenditure, the approach will be to make the most of what we currently have with a fix, finish and optimise approach. We will continue our programmes to deliver better outcomes for Māori. Safety remains an important aspect of our business, guided by an aspiration of Vision Zero.

Ensuring AT is contributing to the development and implementation of Auckland's transport strategy remains an ongoing priority. This includes aligning to council's Future Development Strategy to ensure our growth programme is consistent with council's strategic direction, and progressing the Integrated Transport Plan with government and council.

At a strategic level for the organisation, our new corporate strategy provides clarity on what we will focus on for the next three years. Five accelerators are designed to drive pace to deliver our ambitions or long-term goals, and ultimately better outcomes for Aucklanders.

The accelerators are:

- **Taking public transport from good to great.** Aucklanders expect greater choice and accessibility as they move around our region. We will look to explore innovative approaches to grow public transport use and deliver a better experience for our customers on public transport.
- **Improving network productivity.** This accelerator will leverage technology and smart optimisation approaches to improve the flow of traffic and people in our existing network. We will minimise the impact of disruptions to ensure customers can travel with more certainty.
- **Making every interaction count.** We acknowledge the need to continue to rebuild trust with Aucklanders. We are beginning a comprehensive programme to embed a culture of service, performance and accountability. Connected to this will be a series of targeted initiatives in customer service and innovating community engagement.
- **Growing external revenues.** To deliver improved value for money, we will look at revenue streams that generate additional income for AT and offset some of the operating expense pressures.
- **Effective governance and advocacy for transport outcomes.** Aucklanders expect AT to take the lead on discussions about the more complex transport needs of Auckland. We have a role to play in influencing and advocating across the transport ecosystem to deliver better transport outcomes for Auckland. This includes more effective relationships and governance structures to support a long-term approach to securing funding certainty and advocacy for the legislative and policy changes needed for a more sustainable funding model.

AT Corporate Strategy 2024-2027

10 years	<p>Achieving our ambitions will help to unlock Auckland's potential and contribute to a more thriving and successful New Zealand</p>	<p>Our purpose</p> <p>We tiaki all who use transport in Tāmaki Makaurau</p> <p>Ka tiaki mātou i te hunga katoa ka eke waka i Tāmaki Makaurau</p>								
	<p style="text-align: center;">Ambitions</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Safe journeys for everyone</td> <td>A better experience for all users on our existing network</td> <td>A resilient and sustainable transport system</td> <td>Seamless and reliable public transport</td> <td>More people choose to walk, cycle and use public transport</td> </tr> </table>						Safe journeys for everyone	A better experience for all users on our existing network	A resilient and sustainable transport system	Seamless and reliable public transport
Safe journeys for everyone	A better experience for all users on our existing network	A resilient and sustainable transport system	Seamless and reliable public transport	More people choose to walk, cycle and use public transport						
1 - 3 years	<p>Accelerators & Measures</p> <p>Focusing on these accelerators in the next 1-3 years will ensure we provide safe, easy, reliable journeys for all.</p> <p>These are intended to support faster delivery of all our ambitions.</p>	Taking public transport from good to great	PT boardings Reliability Punctuality Utilisation							
		Improving network productivity	Travel times DSI Arterial productivity Freight performance Cycle counts Emission reduction Asset condition Road maintenance							
		Making every interaction count	Customer perception Formal complaints Complaint resolution Consent timeframes Local board satisfaction							
		Growing external revenues	3 rd party revenues Farebox recovery Capital budget invested Procurement spend with Māori businesses							
		Effective governance and advocacy for transport outcomes	Funding certainty Reduced complexity in Auckland's transport governance							

To operationalise this statement of intent and our new corporate strategy, AT has set clear performance objectives for the next three years which are supported by targeted deliverables and initiatives. Progress on these will be reported on a regular basis to key stakeholders.

1.3 Strategic alignment and key policies

This Statement of Intent outlines how we will deliver our services in order to regain the confidence of Aucklanders as well as Auckland Council. It also sets out below how Auckland Transport aligns with wider strategic priorities, including the Auckland Plan 2050 and the emerging Auckland Integrated Transport Plan.

Auckland Transport is committed to demonstrating leadership and clear communication, building and maintaining a culture of collaboration across the council group, and operating on a 'no surprises' basis especially on significant public-facing issues. Our Chair and Board will take proactive roles in guiding elected members on our major activities and programmes, ensuring that our progress and achievements are transparent and aligned with the expectations of both Council and the wider community.

Delivering on Council Priorities

The delivery of our capital programme will be determined by the LTP, RLTP, and the Auckland Integrated Transport Plan. Our focus will be on the 'fix, finish, optimise' principle. Our approach towards new capital projects ensures that any growth-related investments are in full alignment with guiding strategies, such as the Future Development Strategy, and the ongoing Integrated Transport Plan.

Alignment of renewals with improvement projects to optimise cost effectiveness is a key Council priority that we are working to enable. In order to achieve funding for local renewals from central government, there is a limited and defined scope for improvement components. Acknowledging the potential for local road renewals to not be fully co-funded in the upcoming National Land Transport Plan 2024, AT continues to explore opportunities for alignment without jeopardising co-funding. We have begun by coordinating our renewal activities with improvement works where funded, including partnering with third party operators that also access and work on the road corridor, such as Watercare and Kāinga Ora. Waka Kotahi NZ Transport Agency (NZTA) is now engaging with the sector to investigate broadening of the improvement opportunity definitions within the renewals programmes. This work is ongoing, and we will continue to review and develop our own decision-making frameworks to best identify, prioritise, and enable renewal to support broader outcomes leading up to the 2027 RLTP.

AT will engage with both Central Government and Auckland Council with Auckland's best interests at heart. This will be conducted with transparency and communication with Council will be ensured throughout. Efforts will be directed towards supporting development of the Integrated Transport Plan to ensure alignment between both Central and Local Government priorities in Auckland. Key projects will be progressed to deliver the best transport outcomes, such as Time of Use Charging. AT's continued role and engagement on projects such as Waitemata Harbour Connections will support Council direction. Work that has been completed to date on large projects such as Light Rail will be retained so that the lessons and information can best be used in the future where appropriate.

We are working collaboratively with Council on developing and implementing the Making Space for Water programme, to maximise flood resilience on our network. Consistent with Ministry for the Environment requirements, this work includes developing better frameworks and predictive models to understand the extent of our assets which are subject to climate hazards. This work will inform resilience-related improvement programmes in the future and will be reflected in our Asset Management Plan from 2027.

Future Development Strategy

Auckland's growth continues to put pressure on our network of infrastructure and services. The Future Development Strategy (FDS) provides Auckland-wide direction and integration of Council group's approach to growth and development, guiding subsequent strategies, operational plans, programmes of work and investment decisions.

We support the actions identified in the FDS related to improvements to the Auckland Unitary Plan and the Regional Policy Statement to strengthen the provisions, particularly in future urban areas, and improve alignment between land use planning and transport investment. We will actively support Auckland Council to develop and progress changes and updates to the Auckland Unitary Plan, building upon the experience

and relationship developed during the implementation of the National Policy Statement on Urban Development 2020.

Additionally, the Supporting Growth Alliance team are continuing to work with Auckland Council to review the programme, with discussions are ongoing with Council teams. Decisions on the future of the programme will be reported back to the Transport and Infrastructure Committee.

Māori Outcomes

Auckland Transport is committed to partnering with Māori to uphold its responsibilities under the Treaty of Waitangi / Te Tiriti o Waitangi. AT will continue to:

- Establish, maintain, and improve opportunities for Māori to contribute to Auckland Transport’s decision-making processes
- Recognise and provide for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga
- Take into account the principles of te Tiriti o Waitangi, including:
 - Rangatiratanga / self-determination
 - Partnership
 - Equity
 - Active protection
 - Options

AT is currently drafting Ka Tupu, Ka Wana, our Achieving Māori Outcomes Plan for FY24 to 27, . The implementation of the plan will guide further direction in the SOI period.

More details to be included in July 2024 ahead of final approval.

We will continue to engage meaningfully and regularly with Mana Whenua. The Māori Policy and Engagement team will continue to facilitate AT-resourced engagement forums with mana whenua on operational matters, projects, programmes, strategies, and plans. AT will continue to engage with Mana Whenua governance at the Tāmaki Makaurau Mana Whenua forum and with individual iwi.

AT seeks to better understand the needs of Māori across Tāmaki Makaurau and will establish and improve opportunities for Mataawaka Māori to contribute to our decision-making processes. We will develop a Mataawaka engagement plan, and seek out working relationships with Mataawaka organisations, marae, wānanga, kura, whānau, and individuals.

AT is committed to working alongside Auckland Council Group and the Independent Māori Statutory Board to meet the requirements of the tri-annual Treaty of Waitangi Audit. The Independent Māori Statutory Board’s Schedule of Issue of Significance recognise access to infrastructure as an Issue of Significance to Māori in Tāmaki Makaurau and seeks to ensure that Māori receive ongoing access to safe, operational, and reasonably priced infrastructure services and are enabled to contribute to the decision-making process of future infrastructure projects actively and meaningfully.

AT is committed to responding to the Board’s Issues of Significance and will continue to proactively work with our Māori partners across the 2024-2027 term.

We are an active member of the Council’s Māori Outcomes Steering Group and are guided by Kia Ora Tāmaki Makaurau - the Council’s Māori Outcomes Performance Measurement Framework.

In accordance with Kia Ora Tāmaki Makaurau, and to support a thriving Māori identity, we will:

Mana outcome	Action
Kia ora te reo	implement te reo Māori on signage and public transport announcements

Kia ora te rangatahi and Kia ora te whanau	deliver Te Ara Haepapa Māori road safety programmes
Kia ora te hononga (ahurea and taio)	integrate Te Aranga Māori urban design principles in AT projects. They are used as a guide in discussion and engagement with mana whenua
Kia ora te whanau	support Māori wardens in providing a safe environment for our customers across the AT network
Kia ora te Umanga	improve our procurement practices to create economic opportunities for Māori
Kia ora te marae	improve safety and access around Marae and Papakainga
Kia ora Hāngai te Kaunihera	increase staff knowledge and capability in te reo me ona tikanga Māori, and understanding of Tiriti o Waitangi
Kia ora Hāngai te Kaunihera	improve the representation and wellbeing of kaimahi and rangatahi Māori at AT
Kia ora Hāngai te Kaunihera	better understand how to measure and support Māori wellbeing outcomes and develop better ways to report on these

Sustainability and environment

In May 2024, the Auckland Transport board approved the Sustainability Strategy, for 2024 to 2031. This strategy outlines an ambition of a resilient and sustainable transport system. We will minimise our impact on the natural environment and human wellbeing by protecting our waterways and the air that we breathe, improving social and economic equity, and restoring biodiversity as part of how we deliver infrastructure and services.

Extreme weather events across New Zealand and globally have highlighted the physical, financial, and other impacts of climate change. They have also highlighted opportunities such as efficiencies and improvements, or new partnerships, products and services. AT will continue to 'build back better' by ensuring recovery and renewals programmes adapt to predicted future conditions, ensure the transport network is resilient to the changing climate and opportunities are identified and applied.

Auckland Council set a target to reduce emissions by 64% by 2030 in the Transport Emissions Reduction Pathway (TERP). This is more ambitious than Central Government's Emissions Reduction Plan, and although we acknowledge these targets and are working towards them, there is insufficient funding to deliver on these outcomes. To the extent that is possible within approved funding, we will continue to work collaboratively with Council and key partners to progress the transformation areas outlined in TERP and the VKT Reduction Plan, including exploring demand management tools

The draft GPS has signalled a shift in what the Government expects in transport outcomes, towards economic growth and productivity and less focus on the climate and environment. The GPS nominates other mechanisms, specifically the Emissions Trading Scheme, as the most appropriate tools to tackle emission reduction.

While we have made substantial reductions in the emissions that are under our control, what we can realistically deliver across the transport network is dependent on the context of our operating and economic environment; funding parameters; and practical constraints such as the availability of technology or extreme weather events.

AT remains committed to forging a sustainable path forward, with a low-cost delivery of climate positive projects. We will continue to invest in customer-focused public transport projects and services, along with walking and cycling projects, to provide Aucklanders with reasonable alternatives to driving. We will work towards greater energy and resource efficiency at new facilities to ensure future costs and environmental impacts are reduced over the full lifespan of those facilities.

The Regional Land Transport Plan (RLTP) 2024 has included investment programmes for flood response, network resilience and adaptation, and discharge improvements to retrofit stormwater treatment devices. We are also initiating processes that will enable us to incorporate embodied emissions information in our decision making, to be able us to fully consider this alongside costs for targeted savings in operational and capital expenditure.

Ensuring a transport network that is resilient to the impacts of climate change is a whole-of-Council and whole-of-Government responsibility. We are working closely with Auckland Council as we continue to progress adaptation work, increasing the resilience of our network, as we work towards reducing the impacts of climate-related risks which will also reduce long-term costs to council and Aucklanders. We will interact collaboratively with the Ministry for the Environment and other central government agencies, to ensure a common understanding of central government's approach to current and future infrastructure investment, ranging from reinforce to managed retreat.

In order to meet our requires and ensure accountability through measurement and reporting, we will contribute to the preparation of a compliant group climate statement to ensure Auckland Council meets its

reporting and record-keeping obligations as a climate reporting entity under the Financial Markets Conduct Act 2013. This includes preparing and maintaining proper climate-related disclosure records as required by Auckland Council. It will also include engaging with Auckland Council's appointed auditor to prepare for assurance over group emissions disclosures from 2024/2025 onwards.

Safe journeys for everyone

To include a comment on the draft Land Transport Rule: Setting of Speed Limits 2024

Aucklanders expect to travel around their region safely. The Auckland Plan 2050 aims to address this expectation through its vision of a safe transport network, free from death and serious injury.

Auckland Transport acknowledges our role in responding to Aucklanders' expectations. We support the aspirational Auckland Plan vision through a multi-agency, partnership-based strategy, Vision Zero for Tāmaki Makaurau. This partnership includes Auckland Council, NZ Police, Ministry of Transport, NZ Transport Agency, Health New Zealand / Te Whatu Ora, and the Accident Compensation Corporation.

Since this strategy was adopted, progress has been made in the delivery of several key safety interventions. This includes improving safety near schools and at high-risk locations by installing safety infrastructure and through setting safe and appropriate speed limits while partnering with communities on road safety initiatives.

The draft GPS has shifted the direction on safety from a safe-systems approach based on infrastructure and speed management to an approach more based on police-led enforcement and road user education.

We work in partnership through the Tāmaki Makaurau Transport Safety Governance Group, such as raising awareness of recent achievements by NZ Police on random breath testing targets which are at the highest levels for 10 years.

Where we have delivered safety interventions, Aucklanders have been safer on our roads. Safety data shows:

- rural safety improvements leading to a 29% reduction in deaths and serious injuries in Rodney and a 10% reduction in deaths and serious injuries in Franklin (comparing 2016 to 2018 with 2021 to 2023),
- the 2023 evaluation of the Mass Action Pedestrian Improvement Programme (2018/19) showed at locations where zebra crossings had been raised, the annual serious and fatal crash rates reduced from 2.4 to 0.4 crashes per year, with zero serious or fatal crashes for people walking at the treated site.

However, there is more that needs to be done. New Zealand has one of the highest rates of road deaths in the developed world. The provisional numbers for the 2023 calendar year are 43 deaths and 590 reported serious injuries on Auckland roads. We continue to see the largest amount of trauma occurring on urban roads across Auckland. After adjusting for under-reporting, around two-thirds of deaths and serious injuries are estimated to involve people walking, cycling or motorcycling.

With a social cost of over \$2b per annum expected from road crash trauma in Auckland, reducing road harm is a key part of lifting Auckland's productivity and economic growth to increase opportunities and prosperity for all.

Our previous targets for safety outcomes were aligned with Vision Zero and the Road to Zero safety strategy. Under the previous GPS, almost half of the safety benefits were expected to be achieved through speed and infrastructure improvements. With a significant reduction in anticipated funding levels, and the change in approach, our safety targets for a reduction in deaths and serious injuries on all Auckland roads have been amended to reflect a nominal reduction attributed to targeted speed reduction around schools and local communities, and a continued mode shift to public transport. Further analysis will be conducted for the final SOI to determine revised targets.

1.4 Challenges and constraints

We recognise that Auckland Transport continues to operate in a challenging environment. We have summarised the key challenges and constraints we face below:

Funding constraints and complex operating environment

One of our most significant challenges relates to funding availability and certainty.

Our proposed activities reflect the 2024/25 budget, and the LTP for years 2025/26 and 2026/27. If the actual level of funding provided is less than budgeted, then less transport investment and services can be delivered. This will result in reduced transport service levels, worse climate impacts, and increased risks to public safety. If more funding is made available, further investment in assets and services could be made and improve the associated outcomes. We will need to continue to focus our attention on the basics and delivering value for money to ratepayers.

The government decision to withdraw the Regional Fuel Tax (RFT) has compounded what was already a constrained environment. Removing RFT results in a reduction of future funding of about \$1.2 billion (once co-funding is included). Funds previously raised from RFT will be directed to priority projects including the continuation of Eastern Busway, purchase of electric trains and stabling infrastructure for City Rail Link (CRL) and other projects already underway.

The AT Board requested staff pause at the earliest possible point on the balance on other RFT funded projects. In parallel, AT commenced a review of the capital programme in its entirety, considering not only investment priorities but also projects that should be de-scoped, deferred or stopped.

The January 2023 flood and the effects of Cyclone Gabrielle left us with significant repairs to make at substantial cost and we were already facing into an asset maintenance backlog. Inflationary pressures have also led to rapid cost increases in our projects meaning less can be done with the funding available. There is also pressure on the Council Group's budget, particularly its operating budget, which is reducing funding available for services, maintenance, and our staff. Uncertainty also continues in the national land transport funding system, which reduces certainty of investment for multi-year programmes.

Funding constraints mean that to maintain our assets to an acceptable standard we may need to reallocate funding from other currently proposed projects. If this is not possible, or we are unable to secure additional funding, current funding for asset maintenance and renewals will see a decline in the condition of critical assets in this period. This will likely have an impact on network capability and a resulting decline in public trust.

Condition of the rail network

The condition of the rail network continues to create challenges for Aucklanders travelling around the region by train, as highlighted recently by cancellations to services as a result of high surface track temperatures. The rebuild of the rail network by KiwiRail (and associated reduction in services) continues to place pressure on the broader public transport network, and degrade public trust and confidence in the services operated.

Climate change, social equity and safety

We are aware of the need to rapidly reduce transport greenhouse gas emissions, and Government and Council have set some very high targets. We also know we must improve equitable access to transport across Auckland and address longstanding safety concerns. However, many of the interventions required to achieve national and regional outcomes will require some trade-offs. They will also require people to change the way they travel, many of whom are struggling with day-to-day living. Balancing policy and legislative objectives with political willingness to implement change is increasingly challenging with available funding.

Changing travel patterns

Public transport patronage continues to recover after the challenges associated with Covid. However, Aucklanders have changed the way they travel, with many continuing to work from home more frequently, and choosing to drive more often when they do travel, especially for shorter trips. The challenges to public transport reliability as a result of Covid and rail network rebuild have caused a distrust in our services and many Aucklanders have been reluctant to return to public transport.

Part 2 Statement of performance expectations

Our organisation priorities for the next three years are designed to accelerate achievement and delivery of our ambitions or long-term goals, and ultimately better outcomes for Aucklanders. The accelerators are:

1. Making every interaction count
2. Improving network productivity
3. Taking public transport from good to great
4. Effective governance and advocacy for transport outcomes
5. Growing external revenues (as delivered through value for money)

2.1 Making every interaction count

In order to gain the trust and confidence of Aucklanders, we understand the importance of continuing to listen and respond to needs of our customers and communities. We are committed to putting people and places at the heart of how we design and deliver our transport system.

And to do that, we need to improve the way we engage and interact with Aucklanders.

We also need to improve how we work with each other and our partners to respond to customers with clarity, consistency and transparency so that we positively change the perception and experience customers, communities and our people have with AT. Auckland Transport is committed to deeply understanding the needs of customers and communities, and taking this into account when we design and deliver services and projects.

To make every interaction count, we will:

Work with Local Boards to produce a Transport Plan for each Local Board, providing a more community focused and place-based approach to how AT designs, engages on, and delivers its programmes of work.	FY25-26
Provide clear communications to Councillors and Local Boards on projects in their areas	Q1 FY25
Embed the use of market research and insights into how AT designs and delivers services, products, projects and programmes, to ensure that we do so with the needs of communities in mind.	TBC
Develop and implement a customer service programme to improve the way we interact with Aucklanders and with each other to positively change the perception and experience customers, communities and our people have with AT.	TBC
Expand on capital works programmes that respond to customer requests, delivering network improvements that matter to our customers.	FY25-27

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Customer perceptions AT listens and responds to Aucklanders' needs	30%	33%	36%	39%
Formal complaints Percentage of total AT case volume resulting in a formal complaint	<0.65%	<0.65%	<0.65%	<0.65%
Complaint resolution Percentage of formal complaints that are resolved within 20 working days	85%	90%	90%	90%
Local Board satisfaction with engagement	Develop and implement surveys	40%	43%	46%

2.2 Improving network productivity

We need to make the best possible use of our existing network and road spaces as our city continues to grow. While we will continue to invest in new infrastructure, it is our existing transport corridors that will need to accommodate much of the increase in travel as Auckland's population grows.

Trying to build our way out of congestion is not an option. Making the better and smarter use of our existing roads, rail, footpaths, cycle-ways and ferries has to be part of the solution. Our approach will focus on increased investment into network optimisation initiatives that deliver significant improvements through small-scale interventions, technology upgrades, and developing demand-based solutions to manage congestion.

Interventions for smarter use of existing road spaces will be outlined in our Network Operating Plan, and supporting strategies such as Room to Move: Tāmaki Makaurau Auckland's Parking Strategy. Active modes investment is governed by our Cycling and Micromobility Programme Business Case.

To manage and maximise network productivity, this may mean trade-offs by mode in the short-term. Additional special vehicle lanes, including dynamic streets, may impact general traffic to provide more people with faster and more reliable travel on the PT network. As we look to the future, rising PT mode share and additional demand-management initiatives such as time of use charging seek to produce an outcome where travel times are improved for all.

To improve network productivity, we will:

<p>Make smarter use of our existing road spaces and improve traffic flow by optimising the transport network including the use of physical and technology solutions to use road space dynamically, including:</p> <ul style="list-style-type: none"> - Bus prioritisation on key corridors - Special vehicle lanes - Dynamic streets - Intelligent transport systems <p><i>More detail will be included in the Final SOI in July 2024</i></p>	FY25-27
<p>Minimise the impact of disruption on the road corridor and reduce road cones, improving productivity of the road network, by working with the industry to reduce cost and helping them to deliver their temporary traffic management on a smaller footprint.</p>	FY25-27
<p>Transition to the New Zealand Guide to Temporary Traffic Management, by:</p> <ul style="list-style-type: none"> - Update our procurement practices away from the Code of Practice for Temporary Traffic Management - Building new systems to analyse and assess risk-based applications for access to the network and temporary traffic management - Consolidate changes to the Activity Coordination tool 	FY26
<p>Progress implementation of Room to Move by delivering comprehensive parking management plans in collaboration with local boards, starting with the City Centre, and beginning Park and Ride initiatives.</p>	FY25
<p>Lower the delivery cost of cycling and walking infrastructure by reviewing design standards and delivering projects together with other infrastructure.</p>	TBC
<p>Develop a strategic walking programme for active mode investment.</p>	TBC
<p>Develop a transition plan to implement Time of Use Charging.</p>	FY25

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Average travel time across the arterial network	24 minutes	24 minutes	24 minutes	24 minutes
Arterial productivity Average number of people moving per hour during the morning peak	28,000	30,000 28,000	32,000 30,000	32,000
Freight performance Percentage of the freight network moving without congestion in the interpeak	85%	85%	85%	85%
Cycle counts The number of people using defined cycle network count sites <i>Note: targets will be reviewed from FY24 end of year results for the final SOI</i>	3.12m	3.20m 3.45m	3.28m 3.53m	3.62m

2.3 Taking public transport from good to great

We know that Aucklanders want more from their public transport services now and as we grow the network.

Our public transport network needs ongoing investment to keep up with the growing demands of our people. Auckland Council, along with Government, are currently investing billions of dollars in new assets like the City Rail link and new busways, and services that will enable faster, more reliable and safer journeys. In addition to these large projects, AT is investing across the network in many small improvements that collectively will improve public transport accessibility for all communities.

AT has developed a Public Transport Growth Programme to bring together the practical actions we will take to provide reliable services and customer experiences that accelerate patronage growth.

We also conduct regularly improvements and reviews to PT services to ensure optimisation is an ongoing activity. The Regional Public Transport Plan outlines how PT will be managed and improved over the period of this SOI, with the Auckland Rapid Transit Pathway outlining longer-term infrastructure investment requirements.

To improve public transport from good to great, we will:

Continue implementation of the Regional Public Transport Plan, through the PT growth programme, and PT service network optimisation.	FY25
Finish existing public transport infrastructure projects, such as City Rail Link, Level Crossing Removal, and Eastern Busway. <i>More detail will be included in the Final SOI in July 2024</i>	TBC
Progress work on affordable Rapid Transit projects, and large-scale projects identified in the Integrated Transport Plan.	FY25-27
Investigate low-cost cycle connectivity options on the public transport network.	TBC
Progress implementation of Open Loop and contribute to support National Ticketing functionality so that customers can use contactless payment options to pay for their public transport fares and to provide increased access to the PT network.	FY25-26
Implement a weekly fare cap for public transport users (subject to LTP approval).	FY25
Implement FareShare – working with businesses to support their employees using public transport.	FY25

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
PT Boardings Annual number of PT trips	83.4m	94.1m 95.9m	105.7m 106.8m	114.8m 116.0m
PT reliability Percentage of services that start according to schedule	95%	98%	98%	98%
PT punctuality Percentage of services that start and end according to schedule	87%	88%	89%	89.5%

PT utilisation for frequent routes during peak <i>TBC – July 2024</i>	New measure	TBC	TBC	TBC
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2.4 Effective governance and advocacy for transport outcomes

Section is being reviewed for July 2024.

AT has a significant role to play in influencing and advocating across the transport ecosystem. We will work to strengthen and develop better strategic relationships and governance structures with Council and partner agencies. Our goal is to support a better long-term approach that provides funding certainty.

Legislative change may be needed to best meet Auckland’s transport challenges. We will take a system view of what is needed, and support advocacy to Central Government to enable us to address these needs.

To improve Governance outcomes in transport, we will:

Work with Council and central government and on a funding model that provides simplicity and certainty and explores alternative funding models.	TBC
Work with Government, Council, and community partners to develop a framework for governance that supports Auckland’s transport network in the future.	TBC
Identify and advocate policy, legislative and regulatory changes necessary to address both project funding issues and more general revenue barriers, and review annually.	TBC

2.5 Value for money

AT is committed to delivering value for money to our shareholders and funder, Auckland Council, and the people of Auckland.

We will primarily do this through four key levers:

1. Delivering our capital programme better, faster, cheaper
2. Reducing net operating costs of Council through more cost-efficient delivery of services
3. Growing our external revenues
4. Participating in and implementing Council Group Shared Services

A key strategic focus in the LTP is to focus on financial strategy and budget levers, including reducing net operating costs of Council group and more cost-efficient delivery of services. To deliver improved value for money, we want to reduce the contribution council has to make towards AT's operating expenses. We will look at revenue streams that generate additional income for AT, and offsets some of the operating expense pressures.

Council has provided operating cost saving targets, which we will work to deliver through initiatives such as driving commercial revenue growth, effective capital delivery and operational efficiencies realised through collaboration with wider Council group. For example, this year AT is reduced its marketing budget from \$3.6m to \$1.7m.

Alternative funding sources are being sought, including identifying opportunities for enduring partnerships with the development sector.

Council is reviewing the value for money provided by CCOs. AT commits to supporting and engaging on any s17A Delivery of services cost-effectiveness and value for money reviews.

AT has worked to reduce our property footprint, and will continue to work with Council on the group property review and any appropriate actions identified.

We are committed to implementing Group Shared Services (GSS) where it makes sense. Consistent with Budget Responsibility and Transparency rules, implementation of GSS will be subject to robust business cases that demonstrate positive benefit-cost ratios, and do not risk deterioration in the quality of services that are ultimately provided to our customers.

To ensure value for money, we will:

Grow non-rates revenue and deliver cost saving and efficiency targets as identified in the LTP2024. This will include leading the creation of new and improved third party revenue opportunities, growing farebox and parking charges, and reducing costs from our activities.	FY25
Deliver capital programmes more efficiently through the entire design and construction process.	FY25-27
Work constructively with Council to investigate and implement arrangements for shared services, including technology functions where appropriate. Leverage existing technology frameworks across CCOs, while ensuring risks are appropriately managed and delivery of customer outcomes are not compromised, subject to business case approval with a positive BCR.	FY25-27
Work to increase revenues from parking and enforcement, supported by rolling-out an additional 50 officers to enforce parking and temporary traffic management rules.	FY25

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Grow third-party revenues*	New measure	\$114m*	\$28m	\$24m
Farebox Recovery Ratio The percentage of the total PT operating cost recovered through fares	25%	30%	35% 30%	32.5%

*Note on third-party revenues: This is calculated as the change in budgeted third-party operating revenue from the prior years' budget. Target for FY25 includes public transport fare revenue previously paid by the central government for passengers aged 24 years and under the community connect concessions until 30 April 2024

2.6 Core business and other activities

This section represents a summary of AT's activities of particular note to Council that do not fall within the five accelerated areas above. This includes our commitments to Council's strategic priorities, and activities that AT undertakes under our purpose to contribute to an effective, efficient, and safe Auckland land transport system in the public interest.

This includes delivering our capital programme with an approach to fix, finish and optimise, and deliver improves better, faster, and cheaper.

Taking care of our existing assets is a priority in our investment activities. We will deliver a renewals programme that reflects the full level of local funding from Auckland Council that is matched by central government. The draft RLTP 2024 provides for \$5.5 billion of renewals that require central government co-funding of approximately \$2.75 billion. If less co-funding is made available through the NLTP 2024, the total level of renewals will need to be adjusted and any relevant targets reconsidered.

We will:

Maintain our assets to a safe standard within funding limits and seek opportunities to improve funding towards our approved Asset Management Plan in a way that minimises the whole of life cost and considers the unique needs of different areas across the region such as rural areas.	FY25-27
Seek continuous improvement in reducing GHG emissions associated with our assets, operations, services and corporate activities.	FY25-27
Initiate processes that will enable us to incorporate embodied emissions information in our decision making	FY25-26
Contribute to the preparation of a compliant group climate statement to ensure Auckland Council meets its reporting and record-keeping obligations as a climate reporting entity under the Financial Markets Conduct Act 2013.	FY25
Progress the Better Faster Consents work programme alongside Council and Watercare to simplify and improve the resource consenting process.	FY25
<i>Deliver safety interventions including improving safety near schools and at high-risk location, and setting safe and appropriate speed limits (under review based on draft Land Transport Rule: Setting of Speed Limits 2024)</i>	FY25-27
Publish Ka Tupu, Ka Wana, Achieving Māori Outcomes Plan	Q2 FY25
Review decision making framework for identifying and prioritising renewal work to align with network improvements	FY26
Regularly report to Auckland Council through the Transport and Infrastructure Committee on delivery of the Regional Land Transport Plan (annually), as well as regular capital delivery milestones, bus priority lanes and active mode kilometres added to the network (quarterly).	FY25-27

We will measure success by:

Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Safety Deaths and Serious Injuries on the road network in Tāmaki Makaurau	No more than 640	No more than 616 630	No more than 594 620	No more than 610
Emission reduction Reduction in operational emissions, including Public Transport activities (from 2021/22 baseline)	Revised measure	10% increase	0%	5% decrease
Asset condition – critical assets Proportion of key assets in poor and very poor condition	Revised measure	No more than 15%	14%	13%
Asset condition – all assets Proportion of all assets in poor condition*	New measure	25%	TBC	TBC
Road maintenance Percentage of the sealed local road network that is resurfaced or rehabilitated	6.0%	6.5%	7.0%	7.5%
Resource consent timeframes Adherence to the service level agreement to provide specialist input into the resource consents	70%	75% 80%	80% 85%	90%
Percentage of capital budget invested	90%	90%	90%	90%
Percentage of procurement spend with Māori owned businesses	2.0%	2.0% 3%	2.0% 4%	5%
Number of marae improved by AT's programmes	New measure	1	1	1

Summary of 2024/25 Capital Programme

Our capital programme is focused on optimising the asset base that we have, with a significant commitment being made on asset renewals and maintenance, with good progress on fixing roads already achieved to date. The remainder of our capital delivery plan focuses on development which is aligned to our strategic objectives to improve transport network performance and to grow public transport patronage. A portfolio approach is being embedded to deliver the capital plan with a focus on value for money, better faster and cheaper.

A summary of the FY25 capital programme will be included in the Final SOI in July 2024.

2.7 How we will be held accountable – summary of SOI measures

The performance measures will be reported to Council’s Transport and Infrastructure Committee on a quarterly basis. In addition, Long-term plan measures (DIA Mandatory measures and selected measures outside of the SOI) will also be reported annually and at 6-month intervals to Transport and Infrastructure Committee.

AT will use the following guidelines to report on performance against the targets:

- where performance is within +/- 2.5% of a target, the target will be considered to be met;
- where performance is above a target by more than 2.5%, the target will be considered to be exceeded;
- where performance is below a target by more than 2.5%, the target will be considered to be not met.

Summary of SOI measures

Strategic accelerator	Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
Improving network productivity	Average travel time across the arterial network	24 minutes	24 minutes	24 minutes	24 minutes
	Arterial productivity Average number of people moving per hour during the morning peak	28,000	30,000 28,000	32,000 30,000	32,000
	Freight performance Percentage of the freight network moving without congestion in the interpeak	85%	85%	85%	85%
	Cycle counts The number of people using defined cycle network count sites	3.12m	3.20m 3.45m	3.28m 3.53m	3.62m
Making every interaction count	Customer perceptions AT listens and responds to Aucklanders' needs	30%	33%	36%	39%
	Formal complaints Percentage of total AT case volume resulting in a formal complaint	<0.65%	<0.65%	<0.65%	<0.65%
	Complaint resolution Percentage of formal complaints that are resolved within 20 working days	85%	90%	90%	90%
	Local Board satisfaction with engagement	Develop and implement surveys	40%	43%	46%
Taking public transport from good to great	PT Boardings Annual number of PT trips	94.1m 95.9m	105.7m 106.8m	114.8m 116.0m	94.1m 95.9m
Taking public transport from good to great	PT reliability Percentage of services that start according to schedule	95%	98%	98%	98%

Strategic accelerator	Measure	2023/24 target (existing SOI)	2024/25 target	2025/26 target	2026/27 target
	PT punctuality Percentage of services that start and end according to schedule	87%	88%	89%	89.5%
	PT utilisation for frequent routes during peak	New measure	TBC	TBC	TBC
Value for money and growing external revenues	Grow third-party revenues	New measure	\$114m	\$28m	\$24m
	Farebox Recovery Ratio The percentage of the total PT operating cost recovered through fares	25%	30%	35% 30%	32.5%
Core Business and other activities	Safety Deaths and Serious Injuries on the road network in Tāmaki Makaurau	No more than 640	No more than 646 630	No more than 594 620	No more than 610
	Emission reduction Reduction in operational emissions	Revised measure	10% increase	0%	5% decrease
	Asset condition – critical assets Proportion of key assets in poor and very poor condition	Revised measure	6.7% No more than 15%	7.6% 14%	13%
	Asset condition – all assets Proportion of all assets in poor condition	New measure	25%	TBC	TBC
	Road maintenance Percentage of the sealed local road network that is resurfaced or rehabilitated	6.0%	6.5%	7.0%	7.5%
	Resource consent timeframes Adherence to the service level agreement to provide specialist input into the resource consents	70%	90% 80%	90% 85%	90%
	Percentage of capital budget invested	90%	90%	90%	90%
	Percentage of procurement spend with Māori owned businesses	2.0%	2.0% 3%	2.0% 4%	5%
	Number of marae improved by AT's programmes	1	1	1	1

2.8 Financial statements

The operating budget lines below follow the format of the quarterly reporting templates. The aim is to have consistency in the presentation to make it easier for users to interpret and compare to other information.

General Notes for financial statements:

1. 2023/24 is based on the approved 2023/24 budget.
2. 2024/25 and 2025/26 are based on an initial draft of the TMTP and the 3rd party revenues, costs and associated council and WKNZTA funding streams are indicative at this stage and are subject to change.

Operating budgets - \$m	2022/23 Actual	2023/24 Budget	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Net direct expenditure/ (income)	387	403	480	526	547
Direct revenue	753	802	929	1,013	1,032
Fees & user charges	182	264	351	394	426
Operating grants and subsidies (external)	515	477	502	548	541
Other direct revenue	55	61	76	72	64
Direct expenditure	1,139	1,205	1,409	1,539	1,578
Employee benefits	177	173	196	202	209
Grants, contributions & sponsorship	0	0	3	3	0
Other direct expenditure	962	1,032	1,210	1,334	1,369
Other key operating lines					
AC operating funding	425	439	512	559	579
Vested assets	366	275	275	275	275
Non-direct revenue					
Non-direct expenditure					
Depreciation and amortisation	527	552	550	574	591
Net finance expense	25	28	23	22	22
Principal repayments	8	8	810	11	11
Tax expense					

Operating budgets by AC Group activity - \$m	2022/23 Actual	2023/24 Budget	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Net direct expenditure/ (income)	387	403	480	526	547
Roads and footpaths	126	122	144	143	154
PT	261	282	336	383	392

Operating budgets by AT activity - \$m	2022/23 Actual	2023/24 Budget	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Net direct expenditure/ (income)	387	403	480	526	547
Roads and footpaths	103	403	123	123	132
Parking and Enforcement	-46	-97	-83	-94	-94
Public Transport - Bus	125	189	185	205	222
Public Transport - Rail	60	70	86	109	104
Public Transport - Ferry	18	21	24	24	24
Public Transport - Other	23	24	32	39	27
Internal Support	103	94	113	120	131

Specific notes for Operating budgets by AT activity:

1. The Parking and Enforcement activity generates a surplus.
2. The Joint Transport Plan for Auckland was done at group activity level and as such does not have the AT activity level of detail.

Capital expenditure budgets - \$m	2022/23 Actual	2023/24 Budget	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Capital expenditure	818	1,058	1,459	1,534	1,515
- to meet additional demand	98	133	519	432	390
- to improve the level of service	475	517	487	551	487
- to replace existing assets	245	408	452	550	638
Capital funding sources	855	1,058	1,459	1,534	1,515
Capital grant revenue - external	408	469	680	767	738
Capital grant revenue - CIP	32	76			
Capital grant revenue - EECA					
Capital grant revenue - NZUP			93		
Capital grant revenue - IAF			6		
AC capital funding	415	513	680	767	778
Asset sales					

Other financial information

Years	Proceeds from sale of assets
2022/23 Actual	\$1.283m
2023/24 Actual (31 December 2023 YTD)	\$0.061m

Assets and Shares	As at 31 December 2023
Current value of assets	\$28.2b
Shareholders equity ratio	97.2%

The financial statements below will be included in the Final SOI in July 2024.

Prospective statement of comprehensive income

\$000 Financial year ending 30 June	2023/24 Actual	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Revenue				
Operating funding from Auckland Council				
Capital funding from Auckland Council				
Fees and user charges				
Subsidies and grants				
Development and financial contributions				
Vested assets (non-Crown)				
Other revenue				
Total revenue				
Expenditure				
Employee benefits				
Depreciation and amortisation				
Grants, contributions and sponsorship				
Other operating expenses				
Total expenses				
Finance revenue				
Finance costs				
Net operating income				
Net other gains/(losses)				
Share of surplus/(deficit) in associates and jointly controlled entities				
Surplus/(deficit) before income tax				
Income tax expense				
Surplus/(deficit) after income tax				
Surplus/(Deficit) after income tax is attributable to:				
Auckland Transport				
Non controlling interest				
Other comprehensive income				
Net gain on revaluation of property, plant and equipment				
Total other comprehensive income				
Total comprehensive income				
Total comprehensive income is attributable to:				
Auckland Transport				
Non controlling interest				

Prospective statement of changes in equity

\$000 Financial year ending 30 June	2023/24 Actual	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Equity at 1 July				
Total comprehensive income				
Movements in non-controlling interest				
Total comprehensive income				
Investment by Auckland Council				
Equity at 30 June				
Total comprehensive income is attributable to:				
Auckland Transport				
Non controlling interest				

Prospective statement of financial position

\$000 Financial year ending 30 June	2023/24 Actual	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
ASSETS				
Current assets				
Cash and cash equivalents				
Receivables				
Inventories				
Other assets				
Non-current assets held for sale				
Derivative financial instruments				
Total current assets				
Non-current assets				
Receivables				
Property, plant and equipment				
Intangible assets				
Derivative financial instruments				
Total non-current assets				
TOTAL ASSETS				
LIABILITIES				
Current liabilities				
Payables and accruals				
Employee entitlements				
Derivative financial instruments				
Borrowings				
Provisions				
Total current liabilities				
Non-current liabilities				
Payables and accruals				
Employee entitlements				
Derivative financial instruments				
Borrowings				
Provisions				
Other non-current liabilities				
Total non-current liabilities				
TOTAL LIABILITIES				
NET ASSETS				
EQUITY				
Contributed capital				
Accumulated funds				
Reserves				
Total ratepayers equity				
Non-controlling interest				
TOTAL EQUITY				

Prospective statement of cashflows

\$000 Financial year ending 30 June	2023/24 Actual	2024/25 Budget	2025/26 Forecast	2026/27 Forecast
Cashflow from operating activities				
Cash provided from:				
Income from activities				
Operating funding from Auckland Council				
Capital funding from Auckland Council				
Operating subsidies and grants - Waka Kotahi				
Capital funding from Waka Kotahi				
Capital grant revenue - CIP				
Interest received				
Net GST received/(paid)				
Total cash provided				
Cash applied to:				
Payments to suppliers and employees				
Payments to statutory entities for levies				
Interest paid				
Net GST received/(paid)				
Total cash applied				
Net cash from operating activities				
Cashflow from investing activities				
Cash provided from:				
Proceeds from asset sales				
Total cash provided				
Cash applied to:				
Capital expenditure projects				
Total cash applied				
Net cash from investing activities				
Cashflow from financial activities				
Cash provided from:				
Loan from Auckland Council				
Borrowings				
Other				
Total cash provided				
Cash applied to:				
Principal repayments				
Payment of finance leases				
Total cash applied				
Net cash from financing activities				
Net (decrease)/increase in cash and cash equivalents				
Opening cash balance				
Closing cash balance				

Appendix 1: Legislative requirements

Board's approach to governance

AT was established under the Local Government (Auckland Council) Amendment Act 2010 as a Council-Controlled Organisation (CCO) of the Auckland Council. Auckland Council is effectively our sole shareholder.

AT's purpose is to contribute to an effective and efficient land transport system to support Auckland's social, economic, environmental, and cultural well-being.

Auckland Transport's activities are directed and guided at a strategic level by the Board of Directors.

The Board has overall responsibility for delivering transport in Auckland. This includes managing and controlling public transport and local roads, as well as preparing the Auckland Regional Land Transport Programme.

All decisions relating to the operation of Auckland Transport are made by, or under, the authority of the Board in accordance with the Local Government (Tamaki Makaurau Reorganisation) Amendment Act 2009, the Local Government (Auckland Council) Act 2009, and the Local Government (Auckland Transitional Provisions) Act 2010.

Board composition and responsibilities

The AT Board consists of between 6 and 8 voting members plus 1 non-voting member (appointed from Waka Kotahi). In 2024 the Board consists of 7 voting members including two appointed councillors.

The Board's core responsibilities are to:

- negotiate Statements of Intent with Council;
- act consistently within the guidelines provided in the Shareholder Expectation Guide for CCOs;
- actively review and direct the overall strategy, policies and delegations of AT;
- obtain full and timely information necessary to discharge its obligations;
- identify, evaluate and mitigate controllable risk factors;
- manage and monitor the Chief Executive's performance;
- establish remuneration policies and practices, and set and review remuneration for the Chief Executive; and
- provide leadership in relationships with key stakeholders.

The Board has four committees plus a working group as follows which assist it in discharging its governance obligations. Each is chaired by a member of the Board:

- Design and Delivery Committee;
- Finance and Assurance Committee;
- Safety Committee; and
- People and Culture Committee.

Board meetings

The Board will ensure that the following two specific meetings during each financial year are open to members of the public:

- A meeting to consider AT's performance under its SOI in the previous financial year; and
- A meeting to consider the Council's shareholder comments on the draft SOI for the following financial year.

There are six board meetings each year. The specific times and locations of these meetings will be publicly notified in newspapers with a circulation across Auckland, and on the AT website. There are also up to 30 board committee or working group meetings, where directors have the opportunity to work through specific matters with management.

Acquisition of shares

The Board will ensure that AT complies with the requirements of the Council's CCO Accountability Policy and Governance Manual before subscribing for, purchasing, or otherwise acquiring shares in any company or other organisation.

Accounting Policies

Basis of reporting

Auckland Transport is a council-controlled organisation of Auckland Council, established under section 38 of the Local Government (Auckland Council) Act 2009 as a body corporate with perpetual succession, and is domiciled in New Zealand. The relevant legislation governing Auckland Transport's operation includes the Local Government (Auckland Council) Act 2009 and the Local Government Act 2002.

Auckland Transport's primary objective is to provide services and facilities for the community as a social benefit rather than to make a financial return, accordingly Auckland Transport has designated itself as a public benefit entity (PBE) for financial reporting purposes. The forecast financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

Measurement basis

The forecast financial statements are prepared based on historical cost modified by the revaluation of the following:

- Derivative financial instruments at fair value
- Certain classes of property, plant and equipment at methods appropriate to the class of asset.

The forecast financial statements are presented in New Zealand dollars (\$), which is Auckland Transport's functional currency, and have been rounded to the nearest thousand unless otherwise stated. Items in the forecast financial statements are exclusive of GST, with the exception of receivables and payables.

Going concern

Auckland Transport receives funding from Auckland Council, Waka Kotahi and other government organisations in order to deliver the agreed annual operational and capital programmes within Auckland Transport's Statement of Intent and Auckland Council's Long Term Plan.

Auckland Council continue to provide financial support for Auckland Transport as laid out in Auckland Council's Long Term Plan and Auckland Transport's annual Statement of Intent. Central government also provides additional funding to support public transport recovery and adverse weather events. Based on the funding set out in the recently approved Auckland Council Annual Plan, and for subsequent years, the approved Long Term Plan (LTP) and New Zealand Transport Agency Waka Kotahi's National Land Transport Programme (NLTP), AT receives sufficient revenue to meet operating and capital costs. Accordingly, the forecast financial statements have been prepared on a going concern basis.

Significant accounting policies

Revenue

Auckland Transport receives its revenue from exchange and non-exchange transactions:

Exchange transaction revenue arises when an entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Exchange revenue includes parking fees.

- Non-exchange transaction revenue arises from transactions without an exchange of approximately equal value. Non-exchange revenue includes grants, vested assets and fares partially funded by rates.
- Auckland Transport measures revenue at the fair value of the amounts received or receivable, net of discounts, duties and taxes paid. Revenue is recognised when billed or earned on an accrual basis.

Receivables

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost less any provision for impairment. They are due for settlement no more than 30 days from the date of recognition.

The provision for impairment of receivables is determined based on an expected credit loss model. Auckland Transport apply the simplified approach and record lifetime expected credit losses ("ECLs") on receivables.

Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Auckland Transport and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Assets, excluding land and properties held for roading purposes, are depreciated on a straight-line basis.

Auckland Transport's property, plant and equipment are held at fair value or depreciated historical cost on a class of assets basis. Revaluations for asset classes held at fair value are performed with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years. All other assets are carried at depreciated historical cost.

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using either a depreciated replacement cost approach based on either a depreciation replacement cost approach, restoration cost approach, or a service unit approach. The most appropriate approach to measure value in use depends on the nature of the impairment and availability of information.

Payables and accruals

Current payables and accruals are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore, the carrying value approximates fair value. Non-current payables and accruals are measured at the present value of the estimated future cash outflows.

Borrowings

Borrowings are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities where they are due to be settled within twelve months after the reporting date. All other borrowings are classified as non-current liabilities.

Change in accounting policies

There had been no change in accounting policies during the forecast years.

Use of estimates and judgements

The preparation of forecast financial statements requires Auckland Transport's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Market evidence is available and used for the non-specialised land and buildings, which include commercial and general purpose buildings for which there is a secondary market. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The depreciated replacement cost is used to revalue specialised buildings (designed for a specific limited purpose), roading and public transport assets for the delivery of Auckland Transport's services.

Depreciated replacement cost for these types of assets is based on the 'optimised replacement cost'. Optimised replacement cost is the minimum cost, in the normal course of business, to replace the existing asset with a technologically modern equivalent asset with the same economic benefits, adjusting for any overdesign, overcapacity and redundant components. Optimisation is limited to the extent that optimisation can occur in the normal course of business using commercially available technology.

Appendix 2: Responses to Council’s strategic objectives

As a CCO, AT must respond to Council’s strategic direction. The Auckland Plan 2050 is Auckland Council’s long-term plan to ensure Auckland grows in a way that will meet the opportunities and challenges of the future.

Auckland Transport supports the six outcomes outlined in the plan that will bring about the change needed for Auckland’s future as described below:

Auckland Plan Outcomes	How Auckland Transport contributes
Belonging and participation	Working with Local Boards to enhance the partnering relationship and deliver local transport-led initiatives in the Local Board area and across the region Committing to open and timely engagement and collaboration with stakeholders, businesses, and communities to ensure best possible engagement and outcomes
Māori identity and wellbeing	Guided by the Council Group’s Māori Outcomes Performance Measurement Framework – Kia ora Tāmaki Makaurau – to deliver Māori Outcomes in Tāmaki Makaurau Facilitating engagement forums with mana whenua on operational matters, projects, programmes, strategies, and plans Improving opportunities for Mataawaka Māori to contribute to our decision-making processes
Homes and places	Working with crown entities and Council Group on housing developments and urban transformation opportunities to achieve integrated land-use and transport solutions in agreed priority areas
Transport and access	Developing a compelling transport strategy that engages stakeholders, communities, and the people of Tāmaki Makaurau and supports a single transport plan for Auckland across all organisations in the eco-system Identifying congestion and transport network productivity challenges and actively implementing improvements Enhancing real-time network performance and improving real-time communications to users Developing a programme of technology-based solutions to improve the arterial road corridor and transport network productivity Delivering ongoing road safety improvements in our communities Prioritising services across our network based on customer needs evidenced by research and insight Ensuring public transport is a viable option, increasing mode share through user choice Improving transport equity through prioritised investment across the region Optimising the transport network by ensuring a balanced response to customer demand, safety, social service provision, whilst meeting performance criteria Minimising the impact of disruptions on the network
Environment and cultural heritage	Developing a Transition Plan setting out AT’s plan to contribute to and prepare for a rapid global transition towards a low GHG-emissions economy.

	Ensuring AT activities support a climate resilient transport network.
Opportunity and prosperity	<p>Connecting Aucklanders to where they want to go</p> <p>Improving access to work and leisure opportunities, enabling Aucklanders to thrive</p> <p>Ensuring freight connections and goods and services networks are maintained for better economic outcomes</p> <p>Developing and implementing procurement practices to create economic opportunities for Māori</p> <p>Enabling greater public-private partnerships leveraging commercial opportunities and integrating these into the transport system to reduce costs</p>

Appendix 3: Notes on measures and targets

Notes on measures and targets will be completed for the Final SOI.

A note on mandatory reporting requirements will be included in the final SOI to ensure all necessary reporting is captured, including Department of Internal Affairs (DIA) mandatory measures, and Council LTP measures that are outside the SOI.

Appendix 4: Letter of Expectation

Topic	Expectation	Indicated response	Response for June board
Part 1. General shareholder comments to all CCOs			
Financial and non-financial performance and quality advice	Final SOIs should reflect council's decisions on the Long-term Plan 2024-2034 and financial statements should be fully populated consistent with these decisions and agreed with council's Financial Planning Staff.	Accept	Finance tables have been provided and will be included in the SOI for June Board. May require updates on final LTP (post 20 June)
	<p>The mayoral proposal provides a strong focus on fixing the roads, cutting low value initiatives, and making public transport faster, more reliable, and easier to use. We expect the final SOI to reflect this focus. Funding in the Long-term Plan has been provided for:</p> <ul style="list-style-type: none"> • a \$70 million increase in operating funding to maintain and enhance public transport services. AT will need to realise \$60m in savings to mitigate public transport cost pressures. • implementing a \$50 weekly public transport pass for buses, trains and inner harbour ferries • a one-off capital grant to boost the safety of bus drivers by funding installations of safety screens to protect drivers. 	Accept	Will be reflected in the SOI. Patronage targets are being increased to reflect additional funding.
	All performance measure targets should be fully populated in final SOIs, with relevant measures and targets reflected from the Long-term Plan 2024-2034, for Auckland Transport this includes providing a 2023 Actual or baseline.	Accept	All outstanding sections that were not available at the time of the draft SOI will be completed.
	We are seeking improved advice from CCOs. All advice to Elected Members on spending decisions should involve consideration of costs and benefits and contestable advice. Further detail on requirements can be found in the Budget Responsibility and Transparency Rules.	Accept	AT routinely carries out options analysis and cost-benefit analysis. All funding applications to NZTA must be supported by a cost-benefit analysis which is independently reviewed.
Capital Programme	The group's focus of our capital programme should be on finishing what we've started, fixing what is broken, and getting the best out of what we have. We are therefore asking all CCOs to improve information on capital programmes / projects in SOIs. This should include budgets for all capital programmes and major projects. You should be transparent about what milestones you will achieve so that we can better measure progress. Further information is provided in the CCO specific comments below.	Accept	<p>Our capital programme is focussed on optimising the asset base that we have, with a significant commitment being made on asset renewals and maintenance, with good progress on fixing roads already achieved to date. The remainder of our capital delivery plan focuses on capital development which is aligned to our strategic objectives to improve transport network performance and to grow PT patronage and revenues. A portfolio approach is being embedded to deliver the capital plan with a focus on delivering value for money, better, faster and cheaper.</p> <p>Delivery milestones will be included where possible, as well as a summary of the capital programme for FY25.</p>

Topic	Expectation	Indicated response	Response for June board
Māori outcomes	CCOs are to report on deliver progress on your Achieving Māori Outcome Plans in your quarterly performance reports. Direction will be provided by council's Ngā Mātārae team for a whole of group approach in this area.	Accept	We will work with council's Ngā Mātārae team to determine what elements of the Achieving Māori Outcome Plan will be regularly reported.
	Houkura - Independent Māori Statutory Board secretariat feedback has been provided to CCOs separately and considered by council in forming our comments.	Accept	AT is responding to Houkura's comments, specifically about confirming and finalising our Achieving Māori Outcomes Plan which is expected to be published in early FY25. We will consider which measures are appropriate to include in the final SOI.
Climate change	As agreed in our Long-term plan 2024-2034 decision making, we ask that CCOs: <ul style="list-style-type: none"> incorporate climate change considerations (whole of life greenhouse gas emissions and resilience) into work programmes and decisions, based on realistic assessments target savings in operational and capital expenditure to areas where both cost and whole of life greenhouse gas emissions can be reduced, and not reduce well performing emissions reduction projects or investments. focus on lowest cost delivery of climate positive projects. work towards reducing the impacts of climate-related risks which also reduces long-term cost to council and community. 	Accept with changes	<ul style="list-style-type: none"> AT is initiating changes required to deliver consideration of climate change resilience and GHG emissions through the Sustainability Strategy and Climate Transition Plan. AT is initiating processes to incorporate embodied emissions information in our decision making and would welcome the opportunity to report the Scope 3 emissions associated with our capital, renewals and maintenance programmes against our Board approved target. Consideration of whole of life GHG emissions is a substantial piece of work and AT would welcome Council support in the delivery of this. As whole of life emissions assessments are developed, AT will consider this alongside costs for targeted savings in operational and capital expenditure. AT is seeking clarification of the definition of a climate positive project – does Council consider alternative mode/electrification projects (which also have carbon emissions) or planting trees/vegetation (which actively absorb CO2) to be covered by this definition? AT's climate risk management process is well advanced, and AT regularly engages with Council and other Lifeline organisations to prepare for and become resilient to climate change. The Transition Plan (in development) will set out a roadmap to the resilience of AT and the transport network, as well as how AT will play its part in the preparedness and resilience of the Auckland Council Group and the Auckland region.
	CCOs should meet group climate-related disclosures requirements and ensure accountability through measurement and reporting, including Scope 3 emissions. CCOs should include a statement of commitment in the final SOI: <i>Contribute to the preparation of a compliant group climate statement to ensure Auckland Council meets its reporting and record-keeping obligations as a climate reporting entity under the Financial Markets Conduct Act 2013. This includes preparing and maintaining proper climate-related disclosure records as required by Auckland Council. It will also include engaging with Auckland Council's appointed auditor to prepare for assurance over group emissions disclosures from 2024/2025 onwards.</i>	Accept	AT will be comply with group climate-related disclosures requirements, and will include this statement as a commitment.
Group shared services	Final SOIs must include a commitment to progress the Group Shared Services programme at pace. This programme is being managed collaboratively by the Chief Executives of the group to deliver operational efficiencies. Council expects that CCOs will include this programme in final SOIs without any qualifications.	Accept with changes	AT is committed to implementing GSS where it makes sense . Consistent with Budget Responsibility and Transparency rules, implementation of GSS will be subject to robust business cases, that demonstrate a BCR greater than 1, including no deterioration in the quality of services provided to end customers. GSS savings are highly dependent on a converged IT roadmap and implementation needs to be done in a logical sequenced manner.

Topic	Expectation	Indicated response	Response for June board
Part 2. Specific shareholder comments for Auckland Transport			
Introduction	<p>The draft SOI outlines five new strategic accelerators. That is a fine way to organise the SOI.</p> <p>But, the SOI needs to reflect an overarching commitment to gaining the confidence of Aucklanders and Auckland Council. I'd like to see a much clearer focus on how Auckland Transport intends to understand and carry out the strategic direction set by its shareholder, Auckland Council. And about how you set goals that will help improve the daily lives of Aucklanders.</p>	Accept	Strategic alignment section will be updated to reflect these comments.
Strategic accelerator 5: effective governance and advocacy for transport outcomes	<p>AT has been working with the Council to obtain greater clarity on roles and responsibilities. But there is a long way to go. The content in the final SOI - including the forward must reflect that:</p>	Noted without action	
	<ul style="list-style-type: none"> • AT is a CCO of Auckland Council and is primarily accountable to Auckland Council 	Accept	
	<ul style="list-style-type: none"> • Auckland Council is to be treated as the sole shareholder (not stakeholder) and sets the strategic direction. It is AT's role to deliver on this. 	Accept	
	<ul style="list-style-type: none"> • Auckland Council, and the Mayor of Auckland in particular, is the lead for the Group on engagement with the Government. AT supports the Council (and council group) to advocate for improvements that will benefit Auckland's transport outcomes and improve decision making and accountability, in line with Auckland Council's direction. 	Accept with changes	AT will continue to participate in advocacy but will do so in a manner that is consistent and aligned with Council direction. There are operational matters that necessitate AT's direct involvement.
	<ul style="list-style-type: none"> • NZTA and Government are important funders of AT, and AT will seek funding for projects that align with the direction set by Auckland Council. 	Noted without action	AT's capital and operating programmes are developed through Council's LTP process. Projects eligible for NZTA funding are included in the RLTP which are then submitted to NZTA for cofunding. All of the projects included in the RLTP are agreed during the LTP process, and therefore align with the direction set by Auckland Council.
<ul style="list-style-type: none"> • AT will cooperate with efforts by Auckland Council and the Mayor to clarify the roles and responsibilities within the transport system. 	Accept		

Topic	Expectation	Indicated response	Response for June board
<p>Strategic Accelerator 3: Making every interaction count</p>	<p>This is an important accelerator, but stronger emphasis is required on restoring public confidence and Council would like to see more ambition in the targets relating to customer perceptions relating to AT listening and responding to Aucklanders' needs. Key to achieving improvement will be delivering on those projects that Aucklanders, and I, have signalled are important to Aucklanders - these are removing road cones, improving temporary traffic management, implementing dynamic lanes and providing digital improvements to the operation of traffic signals. You need to stop doing pointless things at annoy Aucklanders. I want to see significant progress made on this.</p>	<p>Noted without action</p>	<p>The current targets are statistically significant. The target for FY 25/26 at 36% is the same as the recent "high" we experienced immediately following Covid lockdowns when customers' general perceptions of AT were comparably positive relative to before and after the Covid lockdown period. There's a risk of not meeting targets above those proposed, given the volatility of quarterly measurement due to factors outside AT's direct control, which are smoothed out on an annual basis. We acknowledge the need to restore public trust and confidence and are working at pace to shift our approach. We also understand the change may not be immediately felt and therefore reflected in customer perception surveys to a huge extent - albeit our targets are statistically significantly increased year on year. FAC should note that as part of the Every Interaction Counts accelerator, we are measuring "AT is Easy to Deal with". Advice from Council last year was to reduce the number of measures in the SOI so we have not included this (or other customer satisfaction measures) but we do report internally on them.</p>
<p>Strategic Accelerator 4: Growing external revenues</p>	<p>I am concerned that this focus is too narrow. The emphasis in your last two Letters of Expectation was on "better, faster, cheaper: cost savings and value for money". Revenue regeneration is only one element of what the council is seeking from AT.</p> <p>You should make sure the SOI includes a broader direction on value for money including the following matters</p> <p>Group shared services direction</p> <p>Making the organisation more efficient by removing ineffective & duplicate processes</p> <p>Reviewing the costs of contracts with third parties</p> <p>Looking hard at marketing and communications spend. Auckland Transport needs to be less concerned with its 'brand', and more focused on service delivery. Transport is not a marketing exercise; it is a public service.</p>	<p>Accept</p> <p>Accept</p>	<p>We are happy to include an umbrella section around value for money. Under this could sit specific initiatives such as the grow external revenue accelerator, and a section around delivering projects better, faster cheaper etc.</p> <p>As part of cost savings AT reduced its marketing budget this financial year from \$3.6m to \$1.7m.</p> <p>The primary purpose of AT's paid marketing activity is to:</p> <ul style="list-style-type: none"> • Provide clear and regular information to Aucklanders about local infrastructure projects and programmes and service changes that affect them • Promote and inform Aucklanders about public transport services as part of work to grow patronage and improve customer experience • Ensure Aucklanders have information about plans and changes that affect them, including where they have an opportunity to have a say. <p>We continue to ensure that any marketing spend is supported by customer insights and evidence and underpinned by clear and measurable objectives that support the operation of AT's infrastructure and customer services businesses.</p>

Topic	Expectation	Indicated response	Response for June board
Roles and responsibilities	As noted in our feedback to your last SOI, AT's legislative purpose is to "contribute to an effective, efficient, and safe Auckland land transport system in the public interest." I expect to see this addressed up front in this section and there is an opportunity to simplify this section to articulate your roles and responsibilities more clearly.	Accept	We will include direct reference to our legislative purpose.
	As a general point, I would expect in this section that AT is more explicit in what it is doing in developing and implementing work programmes that respond to key council strategies.	Accept	Strategic alignment section will be updated to reflect these comments.
	I expect AT to provide more detail in the final SOI on the following:		
	<ul style="list-style-type: none"> aligning renewals and improvements to improve network productivity and optimise cost effectiveness 	Accept with changes	The funding criteria of local renewals by NZTA has a very defined / limited scope for improvements. NZTA started engagement with the sector to investigate a broadening of the improvement opportunity definitions as part of the renewals programmes. This work is ongoing. AT is also reviewing its decision making framework for identifying and prioritising renewal work to support broader outcomes ahead of the 2027 RLTP.
	<ul style="list-style-type: none"> delivery of dynamic lanes and other priority lanes for buses using existing space and other traffic 	Accept	We appreciate the Council's support and interest in achieving these initiatives and propose to provide more detail through monthly reports to the Transport and Infrastructure Committee. Delivery of changes to the road corridor through implementation of intersection and corridor efficiency improvements, dynamic streets, special vehicle lanes, bus prioritization and other intelligent transport systems. Noting that this is dependent on investment levels to be confirmed later in the year and agreed with NZTA as part of the joint Auckland Network Optimisation programme. Further work with the Ministry of Transport is required to provide for legislation that will enhance the use of dynamic lanes.

Topic	Expectation	Indicated response	Response for June board
Strategic alignment	<ul style="list-style-type: none"> • AT's commitment to climate change adaptation and mitigation, which is not well reflected in the accelerators, deliverables and measures This includes reference to Te Tāruke-ā-Tāwhiri and TERP, as well as: <ul style="list-style-type: none"> ◦ providing a reporting framework against key council outcomes (including emissions reductions targets, tracking regional transport emissions and reporting on the percentage of AT capital expenditure where whole of life carbon is quantified and mitigated) ◦ providing data access for council staff to help with group climate reporting and analysis ◦ establishing a governance group to oversee progress towards meeting Auckland's climate objectives in the transport sector 	Reject	<ul style="list-style-type: none"> • AT does not currently have a single data management system sufficient for providing all GHG inventory information. AT is working towards establishing internal systems, processes and databases which will enable data access for council staff to help with group climate reporting and analysis. AT would welcome Council's support in resourcing this work. • AT will consider what governance processes are appropriate. The Board could arguably be considered the governance group that oversees progress towards meeting ATs climate objectives. • Comment TVC on TERP and reporting framework/regional emissions
	<ul style="list-style-type: none"> • reflect the important role you play in managing vegetation in the road corridor and maintenance of berms and verges. 	Reject	Maintenance of vegetation in the road corridor (berms) is delivered by Council under contract to AT. Maintenance and planting of trees is undertaken by Council as these form part of Council's asset register.
	<p>I would also like to see more detail on AT's approach to protecting and restoring the environment, with a focus on maximising flood resilience and water quality opportunities. Council is making a significant investment in the Making Space for Water programme and close collaboration will be needed with council's Healthy Waters department to assess, replace and upgrade culverts and bridges in. With that in mind, I would also like AT to reflect how they are working with council to consider what assets need to be made more resilient or retired to help mitigate climate change impacts. Where assets are owned by Auckland Council but managed and controlled by AT, I expect AT to work collaboratively with council to manage risks, expenditure, and outcomes on a council group basis. This should be noted in your final SOI.</p>	Accept	<ul style="list-style-type: none"> • AT works collaboratively with Council on developing and implementing the Making Space for Water Programme, to maximise flood resilience on our network. AT is working towards understanding the extent of the network assets which are subject to climate hazards through the development of frameworks and predictive models, in accordance with Ministry for the Environment requirements. This work will inform resilience-related improvement programmes in the coming years and will be reflected in the AT Asset Management Plan from 2027. • AT has submitted a new programme (Managing our Discharges) for consideration in the 2024 RLTP/LTP process. This work seeks to fund retrofitting stormwater treatment devices which will improve the quality of road runoff prior to discharge to Auckland's streams and harbours. The work focuses on prioritising runoff from our busiest roads, in alignment with our Environment Action Plan (2021)/Sustainability Strategy (2024). Location and device selection is undertaken in collaboration with Healthy Waters staff.

Topic	Expectation	Indicated response	Response for June board
	<p>The Future Development Strategy is a legislative requirement and affects all parts of the council group whose activities relate to growth and development. It provides Auckland-wide direction and integration of the council's approach to growth and development and guides subsequent strategies, operational plans, programmes of work and investment decisions. AT has a key role in implementing the Future Development Strategy and I expect in the final SOI that the importance of AT's role, including collaborating with the council group to advance this Strategy, is elaborated on.</p>	Accept	<p>AT supports the actions identified in the Future Development Strategy (FDS) related to improvements to the Auckland Unitary Plan (AUP), including the Regional Policy Statement (RPS), to strengthen the provisions, particularly in future urban areas, and improve alignment between land use planning and transport investment. AT will actively support Auckland Council to develop and progress changes and updates to the AUP, building upon the experience and relationship developed during the implementation of National Policy Statement on Urban Development 2020 through Plan Changes 78, 79, and 80.</p>
	<p>The Supporting Growth Program needs to be reconsidered and AT must work with council staff to report to the Transport and Infrastructure Committee on:</p> <ul style="list-style-type: none"> • The nature and purpose of the Supporting Growth programme. • How the programme aligns with Auckland Council's strategies, including the Future Development Strategy. • Political oversight and accountability for the decisions being made through the program which affect the future shape of Auckland. • The costs associated with the programme (including opex costs and capex costs associated with the designations). • Recommendations on whether it should continue and, if so, improvements. 	Accept	<p>The SGA team are continuing to work with Council staff to review the programme and report back to the Transport and Infrastructure Committee.</p> <p>Discussions are ongoing with Council teams including Plans and Places, DPO, Funding and Finance and Transport Strategy.</p> <p>Additional text will be added to the SOI to generally comment on the Supporting Growth Programme.</p>
	<p>Safety remains a priority for council. AT is encouraged to look at low-cost, cost-effective treatments and community partnering initiatives including initiatives to ensure travellers feel safe on the public transport network (such as hubs and transfer points).</p>	Accept	<p>In terms of the low-cost treatments we are already looking at providing location specific interventions, many of which will be lower cost. The most cost-effective way of managing death and serious injury is to manage speed limits. What we are able to do in this space will be determined by the new speed limit setting rule. MoT are expected to open the consultation on this shortly. We may be in a position where we are required to put up some speed limits that we have recently reduced.</p>

Topic	Expectation	Indicated response	Response for June board
Statement of Performance Expectations: Improving network productivity	<p>A stronger emphasis is needed on integrating road maintenance and renewals activities with road improvements and how this will be achieved. In the final SOI we expect to see AT's confirmed plan to fully fund our share only of the renewals programme. IT should be clear what commitment from the government is required, and how the renewal spend will be prioritised if full government funding is not forthcoming.</p>	<p>Accept</p>	<p>AT has increased its ability to coordinate road renewal activities with (confirmed and funded) road improvement works - including coordination with 3rd parties that access the road corridor - ie Watercare and Kianga Ora programmes. AT will refine its renewals programme once the government funding levels are confirmed - this is expected to be around Sept / Oct 2024.</p>
	<p>As noted earlier, I would also like to see greater progress and milestones on initiatives outlined in the Letter of Expectation, like dynamic lanes, intelligent transport systems, reducing road cones and temporary traffic management systems. These initiatives address pain points for the community and will go a long way to helping restore public confidence.</p>	<p>Accept</p>	<p>TTM: The focus for us in 2025 – 2027 is a smooth transition away from CoPTTM to the new New Zealand Guide to Temporary Traffic Management. This realistically would be by FY26. In order to achieve this we will need to build new systems inside of AT to analyse and assess risk-based applications for access to the network and temporary traffic management. We also look to consolidate the changes to the Activity Coordination tool (spatial viewer for improved works coordination) but releasing more collaboration features in phase two of the project and improve our real-time identification of issues with TTM on our network. This is associated with the wider Disruptions Programme accelerated workstream.</p> <p>There is also a procurement piece e.g. transitioning our maintenance contracts away from existing to CoPTTM when contractors win AT work – this however would be delivered by</p>
	<p>The Council would like AT to provide annual updates on delivery of the Regional Land Transport Plan programme to the Transport and Infrastructure Committee. This final SOI should note this as a deliverable.</p>	<p>Accept</p>	<p>We will note in the Capital Programme summary that we can report at year end an update on RLTP delivery.</p>
Statement of Performance Expectations: Making every interaction count	<p>Along with seeking to restore the public's confidence in AT. A stronger focus on providing clear communications to all councillors and local boards on projects is required, including how much is being spent, what is the project is, why it is being undertaken and what benefits are being expected. This is particularly important for significant programmes of work, like those being undertaken in the City Centre.</p>	<p>Accept</p>	<p>We have developed a Local Board relationship plan which provides a structured and sustainable means for gathering information within AT, engaging with local boards and then working with them to engage the wider community. This informs Local Board Transport Plans (deliverable #1 under Every Interaction Counts).</p> <p>From July, we will provide a regular monthly update to councillors on projects in their area.</p>
Statement of Performance Expectations: Taking public transport from good to great	<p>I support the programme outlined in the draft SOI and encourage AT to continue to look for innovative opportunities to improve public transport over and above what is already identified in the Long-term Plan.</p>	<p>Noted without action</p>	
	<p>The City Rail Link is a significant Crown and Council project. AT's activities to ensure operational readiness will be critical to the success of this project and the communities experience of it on Day One and beyond. I would like more detail on the key programmes and milestones in the final SOI, and how you are working with other delivery partners and City Rail Link Limited to achieve success.</p>	<p>Accept</p>	<p>SOI can be adjusted to allow reporting against key programme milestones.</p>

Topic	Expectation	Indicated response	Response for June board
<p>Meaningful Performance measures</p>	<p>I expect Auckland Transport to work with council staff to better understand and agree the measures, methodology and targets. Insufficient information was provided in the draft SOI to provide meaningful comment.</p>	<p>Accept</p>	<p>This section will be included in the final SOI as appendix 2 - Notes on measures and targets.</p>
	<p>In the final SOI I expect AT to:</p> <ul style="list-style-type: none"> include baselines or previous year actuals for all measures 	<p>Accept</p>	<p>All measures will have a baseline (FY24 actual) where possible.</p>
	<ul style="list-style-type: none"> include the following capital measure - Percentage of capital project milestones delivered in line with asset management plan baseline approved by the Board 		<p>This performance measure can be included in future. Data collection for this measure has occurred for the past 12 months. AT should consider the best method to provide Council with this information.</p>
	<ul style="list-style-type: none"> include the following measure - Total number of kilometres of bus priority lanes and active modes added to the network" to better reflect council's priority to improve network productivity 		
	<ul style="list-style-type: none"> Restore the resource consent target to align with service level agreement in place 	<p>Accept with changes</p>	<p>The resource consent target is linked to the deliverable 'Progress the Better Faster Consents work programme alongside Council and Watercare to simplify and improve the resource consenting process'. The output of the success of this measure will be improvements to the target response times for resource consents. The proposed target of 75% of specialist advice to resource consents adhering to the service level agreement timeframe of 10 days is a reflection of an improvement by the Development Planning team in response rates. All fast track consents received from Council have been responded to within timeframe - AT only review more complex consents that have an impact on the transport network to ensure that changes enable the safe and efficient operation. The service level agreement is currently being reviewed and a work programme with Auckland Council regulatory services, through the Better Consents process, to be progressed to reduce costs, timeframe and provide consistency for customers. AT is committed to working with Auckland Council to change processes that would enable better outcomes for customers. Given the current level of tracking on this SOI an alternate proposal would be, dependant on outcomes from the Better consenting process to be delivered over the next year: 2024/25 80% 2025/26 85% 2026/27 90%</p>
<p>include confirmation that Long-term Plan measures will continue to be recorded (road maintenance standards, resurfaced roads, footpaths, road assets etc.) and provided annually and at 6-month intervals to the Transport and Infrastructure Committee.</p>	<p>Accept</p>	<p>All Long-term Plan measures will be reported to TIC at the 6-month and year-end marks.</p>	